

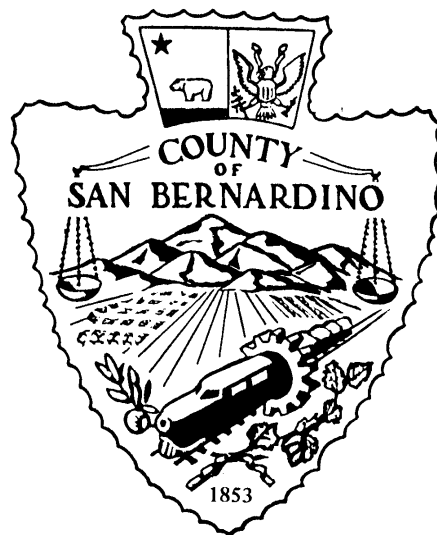
# COUNTY OF SAN BERNARDINO

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## CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT FOR THE 2004-2005 ACTION PLAN

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The Accomplishments and Activities Carried Out Under the  
2000-2005 Consolidated Plan for San Bernardino County's  
Housing, Economic, and Community Development Grant  
Programs



Department of Economic and Community Development

September 28, 2005

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# **COUNTY OF SAN BERNARDINO**

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**Accomplishments and Activities Carried Out Under the  
Consolidated Plan for San Bernardino County's Housing,  
Economic, and Community Development  
Grant Programs**

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**APPENDICES****REQUIRED REPORTS**

## Other Reports:

- A- HOME Match Report
- B- Annual Performance Report – HOME Program
- C- ESG Match Report and ESG Obligations Report

## Integrated Disbursement and Information System (IDIS) Reports:

- D- CDBG Financial Summary for Year 2004 (C04PR26)
- E- Program Year 2004 Summary of Accomplishments (C04PR23)
- F Summary of Consolidated Plan Projects for Report Year 2004 (C04PR06)
- G- CDBG Activity Summary Report (GPR) for Program Year 2004 (C04PR03)

## **PUBLIC REVIEW**

H- August 16, 2005 Board of Supervisors Record of Action to Schedule Public Hearing

I- Notice of Hearing

J- September 13, 2005, Public Hearing Report to the Board of Supervisors - Annual Performance Review

# Welcome

Each year the County of San Bernardino receives grant funds from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), and the HOME Investment Partnership Act (HOME) programs. These funds are used to meet the primary objective of developing viable communities by providing decent housing, suitable living environments and expanded economic opportunities, principally for low- and moderate-income persons. For the 2004-05 Program Year, which began on July 1, 2004, the County received an \$9,584,000 CDBG allocation, a \$331,410 ESG allocation and a \$5,132,797 HOME allocation. To program the use of these funds, the County submitted a one-year Action Plan as part of its 2004-05 Consolidated Plan Grant Application to HUD.

This Consolidated Annual Performance and Evaluation Report (CAPER) for the County of San Bernardino is prepared in order to report the programs, projects and activities carried out by the County during this past year to meet the federally established goal of developing viable communities. It identifies the County's 2004-05 Consolidated Plan program goals and objectives, and provides an overall assessment of the County's attainment of these established goals. The overall assessment of our goal attainment contains accomplishments for each project either undertaken or continued in the 2004-05 program year. As part of the self-evaluation included with this CAPER, we determine whether the established long-term objectives are meeting current needs and discuss adjustments to strategies and activities, if any, in order to meet the various goals and strategies outlined in the 2004-05 Consolidated Plan more effectively. An easy to read version of our Annual Performance Review (APR) has been published and presented, so that citizens will have a written report of prior, continuing, and proposed County accomplishments using the grant funds, to review and comment on prior to submission of this CAPER.

The APR is contained in Appendix C of this document. It was presented to the County Board of Supervisors at a public hearing on September 13, 2005. A Notice of Hearing published in 22 newspapers throughout the County on or before August 29, 2005, announced this presentation. The public was invited to review the APR and submit comments on it during a two-week period before and including the date of the public hearing. Comments received are included within this combined submittal of detailed CDBG, ESG and HOME Program Annual Reports.





# Introduction and Goals Assessment

The County of San Bernardino has qualified annually since 1975 to receive federal housing and community development grant funds from the U.S. Department of Housing and Urban Development (HUD). In 2002, HUD renewed the County's qualification to receive these funds during the 2003 and 2004 fiscal years under the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG) and HOME Investment Partnerships Act (HOME) programs. The City of Riverside receives Housing Opportunities for Persons With AIDS (HOPWA) grant funds from HUD to fund programs in both Riverside County and San Bernardino County. The City of Riverside is responsible for reporting Annual Program Performance for HOPWA activities in San Bernardino County.

The County adopted its current Consolidated Plan in 2000 under the HUD Community Planning and Development (CPD) grants program. To receive the fiscal year 2004-05 CDBG, ESG, and HOME grant funds, County CDH prepared a consolidated grant application called the 2004-05 Action Plan. This plan has the purpose of implementing the fifth year increment of the County's 2000-2005 Consolidated Plan. On April 13, 2004 the County of San Bernardino Board of Supervisors approved the 2004-05 Action Plan. Upon completion of the public review period and after all comments were received and considered, the final Consolidated Plan was submitted to HUD on May 28, 2004, for funding approval.

The CDBG, ESG and HOME funds received by the County in 2004-05 were for eligible projects in the unincorporated communities. These funds also were available for the thirteen (13) cities that have been approved by HUD to cooperate in the County's CDBG program. These cities are Adelanto, Barstow, Big Bear Lake, Colton, Grand Terrace, Highland, Loma Linda, Montclair, Needles, Redlands, Twentynine Palms, Yucaipa, and the Town of Yucca Valley. For the purpose of these grant funds, this area is referred to as the County Consortium. The County Department of Community Development and Housing (CDH) has the primary responsibility of administering these grant programs. In addition to the thirteen (13) CDBG – cooperating cities, the Home Program included the cities of Rancho Cucamonga, and Rialto.

The grant funds are used to develop viable communities by providing decent housing, suitable living environments, and expanded economic opportunities, principally for low- and moderate-income persons. San Bernardino County pursues the national goals established for use of these federal housing, economic, and community development grant funds through the implementation of our Strategic Plan, as contained in Section II of the Consolidated Plan. The County of San Bernardino will continue its endeavor towards the accomplishment of its stated goals, as follows:

## Provide Homelessness Prevention and Assistance through a Continuum of Care System

- **Strategy 1:** Implement a Continuum of Care System to provide a comprehensive response to the different needs of homeless individuals and families through a four-step process: outreach and assessment of needs; provision of safe shelter; provision of transitional housing and social services; and permanent housing

## Provide Decent, Affordable Housing

- **Strategy 1:** Expand the supply of affordable housing in order to provide a larger supply to extremely low- and low-income households
- **Strategy 2:** Assist in reducing housing costs for extremely low- and low-income households by narrowing the gap between housing costs and income through the use of demand-based direct assistance
- **Strategy 3:** Preserve the existing housing stock and affordable units in order to maintain the quality of the existing housing inventory and keep properties from going to market rate.

## Assist Special Needs Housing

- **Strategy 1:** Facilitate development / rehabilitation for special needs housing, thus increasing the supply and improving the quality of housing for persons who have limited or fixed incomes, and are consequently severely affected by rising housing costs
- **Strategy 2:** Affirmatively further fair housing to ensure equal access to housing for special needs groups
- **Strategy 3:** Overcome the effects of identified impediments to fair housing choice

## Assist with Non-Housing Community Development

- **Strategy 1:** Improve the health and welfare of target neighborhoods and augment the availability of needed local services to low- and moderate-income persons through provisions for quality public facilities
- **Strategy 2:** Improve the safety and livability of target neighborhoods and provide economic development growth incentives by upgrading, replacing or developing necessary infrastructure systems
- **Strategy 3:** Develop a diverse network of needed public services directed toward enhancing the health, safety and overall well being of low- and moderate-income persons
- **Strategy 4:** Assist governmental agencies in complying with the Americans With Disabilities Act (ADA) through identifying and eliminating barriers which restrict the mobility and accessibility of elderly and handicapped persons
- **Strategy 5:** Encourage and support the restoration and preservation of sites and structures which have historic significance when such activities comply with the CDBG program national objectives

- **Strategy 6:** Promote the long term economic viability and stability of communities throughout the County Consortium and expand employment opportunities for low- and moderate-income persons
- **Strategy 7:** Improve the safety and viability of target neighborhoods through provision of code enforcement activities coupled with programs which abate blight and blighting influences

### Revitalize Neighborhoods and Eradicate Blight through the Neighborhood Initiative Program

- **Strategy 1:** Through the Neighborhood Initiative, a national pilot program using concentrated assistance and new methods and initiatives, revitalize neighborhoods and eradicate blight. Implement this through the following processes: develop intergovernmental housing programs; obtain lending institution participation through pledges of funds under the Community Reinvestment Act (CRA) requirements; secure the assistance of national and local non-profit agencies; encourage local realtors, contractors, businesses, and organizations to assist with program implementation

During the 2004-05 program year, the County of San Bernardino entered numerous contracts to design, construct and rehabilitate public facilities and housing units, to provide public services in local communities and to create new jobs for low- and moderate-income persons. The results of these efforts, implemented by non-profit organizations, cities and County departments, are presented in this Consolidated Annual Performance and Evaluation Report (CAPER). Many programs and projects completed in 2004-05 were funded under prior year plans. In some cases, these completed projects are located in cities that now receive grant funds directly from HUD. Additionally, many programs and projects begun under the 2004-05 plan will continue into the future.

# Summary of Accomplishments

During the 2004-05 program year beginning July 1, 2004 and continuing through June 30, 2005, the County of San Bernardino received U.S. Department of Housing and Urban Development (HUD) Entitlement Grants totaling \$15,048,207. An additional \$2,106,384 of program income was anticipated during the year from prior program year CDBG funded County activities. As stated previously in this CAPER, our goal is to develop viable communities, principally for low- and moderate-income persons, by providing decent housing, suitable living environments, and expanded economic opportunities.

## **Summary of Expenditures**

CDBG - \$12,991,880 spent 251 Housing, Economic and Community Development projects and loans

During the 2004-05 program year, the County of San Bernardino expended a total of **\$1,955,102** to provide decent housing, **\$6,633,420** in order to provide suitable living environments, and **\$2,229,977** to expand economic opportunities. Funds spent to attain the strategies, as listed in the Introduction, through specific projects, programs, and activities, are given in detail later in this report.

CDBG - \$2,103,297 spent to administer the CDBG program

CDBG – Received \$2,833,150 of Program Income, which includes \$59,420 in Section 108 loan re-payments

HOME - \$6,091,697 contracted or spent on 4 Housing programs; \$546,908 spent to administer HOME under the 2004-05 grant.

ESG - \$308,465 spent under contracts with 11 Homeless Shelter agencies; \$15,316 spent to administer ESG

## **Summary of Results**

### **Housing Projects**

#### HOME Program Results

- Home Buyers Assistance Program - 27 families
- Tenant Assistance Program - 142 families
- Rental Property Rehabilitation - 160 units

**CDBG Housing Program Results**

- Senior Home Repair Program - 252 homes
- Housing Rehabilitation Loan Program - 16 homes

**Homeless Prevention and Assistance**

**ESG Program Results**

- Emergency Shelter – 25,743 cold weather shelter nights

**CDBG Program Results**

- Emergency Shelter and Meals – 504 persons
- Domestic Violence Shelter - 1,092 women and their children
- Homelessness Prevention – 335 persons

**CDBG Funded Facility Improvements**

**44 Facilities**

- 5 Senior Centers and 8 Neighborhood facilities improved
- 1 Child Care facility and 3 Youth facilities improved
- 6 Park and Recreation facilities improved
- 6 Fire and Safety Equipment purchases underway
- 2 Fire Stations improvements underway
- 6 Social Care facilities
- 5 Facilities received ADA improvements
- 2 Facilities received Historic Preservation improvements

**CDBG Funded Structure Projects**

**19 Infrastructure Projects**

- 1 Storm Drain project completed and 1 project in preliminary design
- 6 Street projects improved paving and drainage
- 4 Sidewalk projects completed and under construction
- 2 Neighborhood Revitalization and 2 parking lot projects constructed
- 2 Water/Sewer projects and 1 project in design

**CDBG Funded Public Services**

**93 Public Service Programs**

- 4,070 Senior Citizens and Disabled persons benefited by 23 agencies
- 13,836 Children and youth served by 28 agencies
- 10,745 Persons received Social Services and Counseling by 16 agencies
- 5,960 Persons helped through Literacy and Referral services by 10 agencies providing 24 programs

- 3,239 Persons received Fair Housing counseling and Landlord/Tenant mediation services

### **CDBG Funded Community Projects**

#### 9 Community Programs

- 1,662 Properties received Code Enforcement inspections through 2 programs
- 22 Unsafe structures removed under 2 programs
- Debris, trash and abandoned vehicles removed from 5 sites under 1 programs
- Graffiti abated at 16,397 locations through 4 programs

### **CDBG Economic Development**

11 Business Loans – Continued historically low interest rates have reduced demand for affordable financial assistance from government to businesses

- 4 Business Expansion Loans retaining 50 jobs and creating 58 New Permanent Jobs.
- 31 Additional Jobs created from loans made in previous years
- 7 Small Business Enhancement Loans and Micro-Enterprise loans, creating 13 permanent jobs
- 1,134 Small Businesses received technical assistance.

#### Float Loan to Moss Brothers Ford in Colton

- \$463,931 refinance of prior \$1,000,000 float loan resulting in the creation of 28 new jobs.

#### Public Benefit

- Aggregate public benefit standard met for all County CDBG funded business loan programs, at the rate of one (1) job created and/or retained per \$17,049 of CDBG funds expended

# Accomplishments Under the 2004-05 Action Plan

For the 2004-05 program year, San Bernardino County administered its federal grant funds in a manner consistent with the National Objectives of the Housing and Community Development Act of 1974, as amended. One hundred percent of our CDBG funds were spent on activities that either benefited low- and moderate-income persons, or aided in the prevention or elimination of slums or blight. Activities directly or indirectly benefiting low- and moderate-income persons accounted for 91.7% of the CDBG funds. The other 8.3% went to activities that aided in the elimination of slums or blight. Funds were not spent on urgent conditions posing a serious and immediate threat to community health and safety.

Using census tract income data, areas throughout the County in which at least 51% of the population met the low-income or moderate-income criteria were identified and established as target areas. In order to maximize the benefit to low- and moderate-income persons, project activities have been and continue to be located predominately within these target areas. Exceptions to projects being located in target areas include programs that have income qualification requirements for direct benefits to participants. Another exception to the target area location is the expansion of economic opportunities, which are located where the greatest number of jobs can be created and made available to low- and moderate-income persons.

Although the 2004-05 Action Plan identified local housing, economic, and community development needs, a countywide request for Year 2004-05 project proposals helped to identify additional needs. When CDH received proposed project applications, CDH staff evaluated them to determine whether they would meet a national objective, and meet program eligibility requirements, and whether they appeared cost effective. To accomplish the overall goal of developing viable urban communities, the project activities selected for funding were the ones deemed most necessary to meet needs as identified. The County used its 2004-05 and prior year HOME Investment Partnerships Act (HOME), Emergency Shelter Grant (ESG), and Community Development Block Grant (CDBG) funds to implement the identified strategies in order to accomplish the stated goals. The 2000-05 Consolidated Plan strategies are for the five-year Consolidated Plan adopted in April 2000. Several strategies in the plan are projected to cover the five-year period, and are reported to reflect the progress to date. The remaining strategies call for annual accomplishments.

## **Decent, Affordable Housing**

The United States Department of Housing and Urban Development makes federal funds available to the County and to other governmental entities and non-profit organizations, for the purpose of providing decent, affordable housing to low-income and extremely low-income households, including the homeless. To ensure that all federal funds provided for this purpose are directed to areas of greatest need, the County is required to prepare and administer a Consolidated Plan.

In the Consolidated Plan, the results of the County's analysis of housing needs are presented and priorities are established for using available federal funds to address the most urgent housing and homeless needs that exist. The County has developed specific strategies for addressing these needs and priorities. The strategies are set forth in the Consolidated Plan, along with the mechanisms and programs administered by the County's Department of Community Development and Housing and others, using federal funds and other local public and private funds, to address the highest priority needs.

The Consolidated Plan also includes an annual Action Plan that outlines the proposed use of federal funds anticipated to be received through the HOME Investment Partnerships Program (HOME), Community Development Block Grant Program (CDBG) and the Emergency Shelter Grant Program (ESG). The Department of Community Development and Housing annually reports on its progress in implementing specific strategies and utilizing the HOME, CDBG and ESG funds that it administers.

A summary report of annual accomplishments under the specific programs administered by CDH that address the strategies outlined in the Consolidated Plan is included in the Appendixes. The summary report notes the five-year goals for each program, the proposed funding, and the proposed accomplishments for FY 2004/05, and provides information on actual accomplishments for the year, and for the full five-year plan period.

More detailed information on the programs administered by CDH is presented in this report. Additionally, information on a number of housing and homeless related activities carried out by other governmental entities and non-profits is also included in this section. This information includes activities carried out by the Housing Authority of San Bernardino County in its capacity as the local provider of public housing, and by the Community Action Partnership of San Bernardino County (formerly Community Services Department) in its dual role of administering the County's Anti-Poverty Strategy and heading the Homeless Coalition.

Other housing reporting requirements are also addressed in this section. These include information on Fair Housing activities, the Continuum of Care System for the Homeless, progress in obtaining other public and private resources, outreach to minority- and women-owned businesses, and other actions taken by the County.



## Housing Needs

The three (3) major components of housing need identified in the Consolidated Plan are affordability, substandard housing, and overcrowding. (Households experiencing one or more of these conditions are defined as meeting federal preferences for housing assistance under many HUD-funded programs.) Homelessness represents the most extreme type of housing need. In addition, the homeless have needs for various types of supportive services to help them. (HUD provides funds under several programs to provide housing and support services for the homeless.)

Housing affordability is an overwhelming problem faced by households in the County. "Cost burden" and "severe cost burden" are two indicators of the degree to which households experience this problem. (Cost burdened households are defined as households that spend more than 30 percent of their income on housing costs, and severely cost burdened households are defined as households paying more than 50 percent of their income on housing costs.) Lower income households experience cost burden and severe cost burden most frequently, as they have less total income to allocate to various expenditures, including housing. Cost burden and severe cost burden are more prevalent among renters than homeowners. In the past few years, housing costs have skyrocketed. In the past year alone, housing prices have increased 31%, while incomes have remained relatively flat. This percentage increase is highest in Southern California and one of the highest in the nation. The housing affordability index is now 20% which means that 80% of the County's population can not afford to purchase a house.

Substandard housing and overcrowding is both significant housing problems for lower income households. The lower the household income, the less money there is for a homeowner to spend on household repair and maintenance after other necessary expenditures for food, transportation, clothing, and medicine. This is especially true given the fact that gasoline costs have doubled in the past year. Lower income renter households may be forced by economic necessity to live in rental units that are substandard. A disproportionate number of lower income households reside in the oldest housing stock, which is more likely to be substandard and/or contain lead-based paint hazards.

Overcrowding is often directly linked to housing affordability and disproportionately affects lower income renter families. Large families are also more likely to experience overcrowding. Families that are unable to afford larger units are forced by necessity to rent units that are too small to meet their needs. In addition, grown children may not have the means to achieve independent living and therefore continue to live at home. Finally, financial constraints and/or home care needs of the elderly might result in doubling up of households.

With the prices of single family homes increasing, the cost to rent a home or apartment has increased dramatically as well. When this happens, renters are most adversely affected. This is because if a person has owned a home with a fixed rate mortgage, their housing expenses stay the same whereas a renter can be adversely affected by a rent increase at anytime. The County's median income is virtually the same as the national median income

while the County's median price of a home is 57% higher than the national median price. Homeowners who purchased their house in the last few years using an adjustable rate mortgage could be just as adversely affected as renters if interest rates increase.

### Other Special Housing Needs

While census data indicate that Black and Hispanic renter households are not disproportionately impacted by housing problems compared to other renter households with similar incomes, this does not suggest that these households do not experience significant housing problems. Minority renters often have to deal with discrimination in addition to affordability issues. Census data on housing problems of owner households show that Black and Hispanic owner households are disproportionately impacted compared to other owner households with similar income.

Other categories of households that are disadvantaged in finding decent, affordable housing include large families, single persons, the elderly, and the disabled (including persons with HIV/AIDS).

Large households, defined as households with five (5) or more persons, are considered a special needs group because they require larger dwelling units. Difficulties in securing housing large enough to accommodate all members of a household are heightened for renters, because rental units are typically smaller than single-family units.

Housing affordability is a great concern for elderly households (renters in particular) on fixed incomes, as housing prices have greatly increased at faster rates than incremental income adjustments. In addition, the elderly often have special needs relative to housing construction and location, and require ramps and handrails to allow greater access and mobility. Locating elderly housing close to public facilities and public transportation facilities is also important to facilitate mobility throughout the community. This issue has become an even greater one with gasoline prices being over \$3 a gallon.

Persons with disabilities also experience significant special needs relative to housing. The two major housing needs of the disabled are access and affordability. Access is particularly important to the physically disabled. Physically handicapped person often require specially designed dwellings to permit access both within the unit, as well as to and from the site. The developmentally disabled, persons with severe mental illness, and persons with alcohol or other drug additions also encounter serious limitations in obtaining affordable housing, especially housing that also allows easy access to necessary support services.

A Ryan White Needs Assessment conducted in the County showed that housing is a top priority among persons afflicted with HIV/AIDS. The central housing problem of this population (a subset of the disabled population) is housing affordability. Access to social services and medical facilities is also an issue, as a large percent of this population is transportation-dependent, the same as many persons with other disabilities.

## Homeless Needs

The housing needs of the homeless and low-income individuals and families with children who are currently housed but threatened with homelessness are also significant. The homeless population is a diverse group ranging from persons who were “de-institutionalized” from public facilities and have difficulty adjusting to community life, to families who were pushed into the ranks of the homeless because of a severe economic or social disruption e.g., the loss of a job or spouse.

Homeless subpopulations include persons who are mentally ill and/or severely mentally disabled, persons who suffer from alcohol or other drug addiction, persons who are fleeing domestic violence, homeless youth, and persons diagnosed with HIV/AIDS and related diseases.

The largest homeless subpopulation with special housing needs is persons afflicted with mental illness. This group also has a great need for intensive case management to secure and maintain the mentally ill individual’s basic needs and overall stability.

Alcohol and drug abusers constitute a large percentage of the homeless population. This group also crosses over into other homeless categories, particularly the mentally ill. Homeless substance abusers require a variety of special services, the most important of which may be counseling and job training. Inadequate income stemming from an inability to maintain a job is generally the biggest obstacle to housing for this subpopulation.

Victims of domestic violence often lack adequate resources to live independently. Women (and their children) who attempt to leave violent domestic situations may not have many housing options or resources, and consequently may become homeless. The provision of safe, temporary shelter is the greatest need of this subpopulation. Several agencies provide domestic violence services to San Bernardino County residents, from crisis intervention to rape treatment, counseling, and temporary shelter services. These clients require a variety of services, including childcare, counseling, job training, and shelter.

Runaways and abandoned youths are the most difficult group of homeless to estimate. Their main needs include shelter, counseling, education, job training, and substance abuse-treatment (as many are alcohol and drug abusers).

Persons with HIV/AIDS are a relatively recent subset of the homeless population. Significant numbers of persons with HIV/AIDS are homeless or threatened with homelessness. The total number of HIV/AIDS persons who are homeless or at risk of becoming homeless is unknown. However, sufficient data exist to strongly suggest that a substantial number of persons with HIV/AIDS and related diseases are in need of housing assistance and supportive services.

The Ryan White Title II Consortia has identified the provision of housing for HIV/AIDS persons and their families as the highest priority need for funding under the HOPWA program. Needed supportive housing services include short-term rent, mortgage and utility

payments, information services, resource identification, project-based and tenant-based rental assistance, transitional housing, and single room occupancy units.

### Support Services for the Homeless

A wide array of diverse services are needed to give the homeless an opportunity to become self-sufficient members of the community. The San Bernardino County Homeless Coalition was formed in 1991, which brought together a wide range of governmental and non-profit service providers with the common goal to develop a countywide system that nurtures and strengthens the services available for homeless persons. Members of the Homeless Coalition are working together to develop a continuum of care system that will serve the various needs of the homeless.

### Persons at Risk of Homelessness

Persons at risk of homelessness also need assistance to prevent becoming homeless. Those most at risk of becoming homeless are extremely low-income households experiencing severe cost burden. These households, which include the elderly, small families, and large families, are at greatest risk because any disruption in their income could severely impair their ability to pay for housing.

### Priorities

In order to meet our objective of providing decent, affordable housing, the County implemented the strategies, as identified in the 2004-2005 Consolidated Plan, and listed previously herein, through the following activities and programs.

- Expand housing opportunities for households earning 30 percent or less of the area median income
- Provide decent, safe, and sanitary housing
- Provide housing assistance to the homeless through the development of a continuum of care system
- Allocate funding to provide for special housing needs assistance to facilitate housing that accommodates lower income, special needs groups (disabled, and elderly households) who often have special space and location requirements
- Develop and implement programs which address priority needs of low-income residents (employment, income management, housing, emergency services, nutrition, and family self-sufficiency)
- Significantly reduce or eliminate lead-based paint hazards and prevent childhood lead poisoning

### Strategies, Mechanisms and Programs

**Expand the supply of affordable housing through new construction and/or rehabilitation.** Support activities of non-profit developers and the Housing Authority, which provide affordable housing. Provide incentives, including bond financing, density bonus, priority processing, and fee waivers to developers in order to stimulate production and/or remove obstacles to the provision of additional affordable units. Utilize Revenue Bond Financing for New Construction, HOME Homebuyer (Homeownership Assistance) Program, CHDO New Construction and Acquisition / Rehab, Land Banking, Planning Area Studies, Housing Incentives Program (HIP), and priority permit processing for Affordable Housing. The County joined a new joint powers authority so as to enable County residents to take advantage of a lease purchase program that has proven to be successful in the past.

**Reduce housing costs to extremely low- and low-income households.** Provide rental- and energy-assistance programs that effectively increase spendable household income by reducing out-of-pocket housing and utility costs. Utilize Public Housing, Section 8 Programs (Certificates and Vouchers), HOME Tenant-Based Assistance (Monthly Rent Subsidies and Security / Utility Deposit Assistance), and Insulation and Weatherization Program.

**Preserve existing stock and affordable units.** Retain affordable housing stock through the conversion of bond set-aside units to market-rate may significantly impact the supply of affordable housing. Maintain the quality of the existing housing inventory by utilizing the HOME Rental Property Rehabilitation Program, CDBG Housing Rehabilitation Program(s), Public Housing Resident Initiatives and Improvements, Apartment and Mobilehome Park Conversion Standards, Abatement of Nonconforming Uses, Occupancy Inspection, and Rental Depreciation Tax Credit.

**Develop a Continuum of Care System to address homelessness.** Develop a continuum of care system, since the best approach to alleviating homelessness is a community based process that provides a comprehensive response to the different needs of homeless individuals and families. The continuum of care system will involve coordinated public and private efforts to avoid duplication of services and fill gaps in services.

**Support Department of Public Health's role with respect to HOPWA funded activities and related services to individuals with AIDS and HIV.** Encourage the Department of Public Health in its role as project sponsor for activities carried out in the county area by subrecipients of HOPWA funds from the City of Riverside in fostering development of a continuum of home and community based care for individuals with HIV/AIDS.

**Utilize the same mechanisms and programs available to address general housing needs to also meet the needs of elderly, large households, and disabled persons.** HOME- and CDBG-funded activities are distributed on a first-come, first-served basis. CDH's Housing Finance Division targets special needs service providers in notifications of requests for proposals and advertises in local papers and papers that serve subpopulations e.g., Hispanic newspapers.

**Facilitate development/rehabilitation of special needs housing.** Take into account the special space and location requirements of disabled and elderly households. Utilize the CDBG Senior Repair Program, Section 8 Aftercare Rental Assistance, HOME TBA Rental Assistance Program, Priority in Multi-family Rehabilitation for Barrier-Free Housing.

**Affirmatively further fair housing to ensure equal access to housing for special needs groups.** Provide programs that ensure that fair housing laws are enforced in the county. Refer special needs groups who experience discrimination in seeking out rental or home ownership units to these programs.

## **Affirmatively Furthering Fair Housing**

A total of \$143,000 of CDBG funds was allocated for activities that affirmatively further fair housing. The components of this allocation in the FY 04/05 Fifth-year Action Plan were as follows:

- \$96,000 was allocated to provide fair housing compliance activities, including discrimination investigation, education and promotions to 3,500 people
- \$47,000 was allocated to provide tenant/landlord education and mediation dispute services to 2,000 people (residents and property managers).

A total of \$131,468 was spent under contracts with the Inland Fair Housing and Mediation Board, Inc., (IFHMB) to affirmatively further fair housing (\$88,072 spent) and mediate disputes between landlords and their tenants throughout the County (\$43,396 spent). A variety of activities were performed as noted below, including activities from each of the two general fair housing categories listed above.

- Disseminated 20,786 fair housing brochures/flyers to the public and private agencies and community groups.
- Provided educational presentations, and outreach activities, as well as information and referral services, to low- and moderate-income households in San Bernardino County.
- Fair Housing Workshops were presented to 1,640 attendees from the housing industry, government, and community groups.
- Comprehensive fair housing training, education, counseling, advertising, and marketing services were also provided to ensure the right of all people to choose freely where they want and can afford to live.
- Landlord/tenant counseling and mediation services and education on fair housing laws were provided to resolve questions and avoid disputes over evictions, deposit returns, substandard conditions, and other renter/rental matters.
- Implemented the goals and actions to overcome the effects of identified impediments to fair housing choice.

A total of 925 households were reported to have benefited from fair housing compliance activities, another 810 households were reported to have benefited from fair housing workshops conducted with property management groups, and a total of 3,239 persons were reported to have benefited from landlord/tenant mediation activities.

In FY 98/99 Comprehensive Housing Services, Inc completed a revised Analysis of Impediments to Fair Housing Choice for the County of San Bernardino; identifying four impediments to Fair Housing Choice. In FY 04/05 IFHMB implemented the goals and actions necessary to overcome the effects of identified impediments to fair housing choice as listed below:

- Discriminatory Lending Practices
- Lack of housing availability and discriminatory patterns of occupancy
- Public Policies and Programs
- Need for increased Outreach and Education

### Actions Taken to Overcome the Effects of Identified Impediments

Actions discouraging housing discrimination were described in the Appropriate Actions to Overcome the Effects of Discriminatory Housing Practices section of the 1998 Analysis of Impediments to Fair Housing Choice. These actions included:

- Conduct English as a Second Language Classes
- Local Resolution, indicating the County's intent on continuing support of National Fair Housing week
- Extensive Spanish Language Radio Broadcasting and brochures to be produced in Spanish
- Support and Enforcement of State Fair Housing Laws, indicating the County's support of Local, State and Federal fair housing laws
- Participation in Voluntary Public/Private Partnership, indicating the County's intent to participate in the Equal Opportunity/cultural Diversity Committee Association of Realtors
- Contracting with Private Fair Housing Organizations, indicating the County's intent to contract with various local fair housing organizations to administer fair housing activities within the County service area and pledging at least 1% of the annual CDBG allocation for fair housing activities.

The County also agreed to monitor fair housing programs and activities and to maintain records regarding specific actions taken.

### Summary of Specific Actions Taken during the Program Year

During the 2004-05 program year, the County contracted with Inland Fair Housing and Mediation Board (IFHMB) to provide fair housing services throughout the County service area. The contract focused upon the provision of services that affirmatively further fair housing and activities that could impact identified impediments or overcome the effects of discriminatory housing practices. The following table describes specific actions undertaken by fair housing agencies and/or the County to impact the effect of impediments to fair housing as described above.



**Summary Of Specific Actions Taken To Impact Impediments**

<b>Activity Description</b>	<b>Provider</b>	<b>Impediment</b>
Assist housing industry groups located within the County service area in implementing HUD's Fair Housing Partnership Agreement (FHPA), providing fair housing education and information for dissemination.	Fair Housing Contractor	Sale or Rental of Housing
Receive, investigate, resolve, or refer housing discrimination complaints.	Fair Housing Contractor	Sale or Rental of Housing
Provide education and training to housing providers, consumers, apartment owners & managers, community-based organizations, units of local government, and other agencies located within the service area regarding compliance with local, state, and federal fair housing laws.	Fair Housing Contractor	Sale or Rental of Housing
Coordinate with and encourage lending institutions and realtors to improve outreach, loan counseling services, and lending policies where prior discriminatory practices have occurred.	Fair Housing Contractor	Sale or Rental of Housing
Prepare & distribute news releases, public service announcements, and other promotional material to local media regarding fair housing laws.	Fair Housing Contractor	Sale or Rental of Housing
Disseminate brochures and other printed materials to the general public regarding fair housing laws.	Fair Housing Contractor	Sale or Rental of Housing
Coordinate activities to promote fair housing month.	Fair Housing Contractor	Administrative Policies
Provide housing assistance to residents who would otherwise be cost burdened to increase their fair housing choice.	County CDH	Administrative Policies/Income
Provide financing programs to assist nonprofit and private developers in the provision of affordable housing that is made available to all residents of the service area regardless of race, color, national origin, gender, disability, or familial status.	County CDH	Administrative Policies/Income

## **Homelessness Prevention and Assistance – Continuum of Care**

There are four fundamental components of the strategy to develop and implement a Continuum of Care System:

- Outreach and assessment must be conducted to identify an individual's or family's needs and connect them to the appropriate facilities and services.
- Safe shelter through a homeless shelter or motel voucher must be provided.
- Transitional housing and supportive services such as substance abuse treatment, mental health services, and independent living skills must be provided.
- Finally, permanent housing and homeless prevention services must be available.

The Community Action Partnership of San Bernardino County (CAPSBC), in coordination with the County's Homeless Task Force and Policy Council, has been the lead entity in coordinating the efforts of the Homeless Coalition, whose member organizations, along with CAPSBC, provide a variety of shelter and supportive services for the homeless and those threatened with homelessness. CAPSBC and members of the Homeless Coalition have been responsible for the development and implementation of the Continuum of Care Strategy.

On behalf of members of the Homeless Coalition, CAPSBC coordinates the preparation of applications for federal funds when HUD announces notices of funding availability under programs that address homeless housing and supportive services. These include funds available under the Supportive Housing Program, Shelter Plus Care Program, Section 8 SRO (Single Room Occupancy) Program. Grants under these programs help provide homeless supportive services, transitional housing programs, domestic violence shelter, permanent housing, and more.

The City of Riverside is the grantee that receives HOPWA funds from HUD. These funds are also intended to serve the needs of residents of the County of San Bernardino who have been diagnosed with HIV/AIDS. Because the HOPWA Program is implemented under the City of Riverside's Consolidated Plan, no specific goals were included in the County's 1999 Consolidated Plan relative to assisting persons with HIV/AIDS, using HOPWA funds. However, the County has been actively participating in the development of an AIDS Housing Plan for use of HOPWA funds within the County. CDH has also applied for membership in the Inland Empire HIV Planning Council, which plans to apply for Title I Ryan White Care Act funds in the future.

ESG and CDBG funds were also made available by the Department of Community Development and Housing from formula grants that it administers to aid in the implementation of the County's Continuum of Care System.

## ESG- and CDBG-Funded Homeless Shelter Services

ESG funds totaling \$270,201 were spent under contracts with eleven (11) non-profit agencies to provide 29,602 cold-weather shelter nights. The agencies receiving ESG funds include: Catholic Charities, Central City Lutheran Mission, Desert Manna Ministries, Family Services Association, Frazee Community Center, High Desert Domestic Violence, High Desert Homeless Services, Homeless Outreach Programs, and Education, Salvation Army, and Victor Valley Domestic Violence, Inc.

Approximately \$55,875 of CDBG funds was used by five (5) non-profit agencies to provide shelter and related services to the homeless. Over 380 homeless persons were assisted. The agencies receiving these CDBG funds include: New Hope Village in Barstow, Inland Temporary Homes in Loma Linda, and High Desert Homeless Services in Victorville. Additionally, Family Disaster Recovery Services were provided to ninety-seven (97) low-and moderate-income persons in the Victor Valley area by the American Red Cross High Desert Chapter, and family emergency recovery services were provided to twenty-seven (27) low-and moderate-income persons by the Morongo Basin Chapter of the American Red Cross.

## ESG- and CDBG-Funded Homelessness Prevention

The Family Service Association of Redlands and Catholic Charities of San Bernardino provided ESG-funded rental assistance to prevent homelessness. \$44,639 was used to provide rental assistance in the form of payment to maintain permanent housing. The number of families served totaled 42. A total of 5,638 shelter nights were reported.

CDBG funds totaling \$30,850 were spent to provide homelessness prevention services to low-and moderate-income families. In the City of Redlands the Family Services Association of Redlands helped 335 persons stay in their homes by providing counseling and utilities payment services. In the Second Supervisorial District, Family Service Agency provided emergency food, clothing and utility assistance to 914 low-and moderate-income persons. ESG funds totaling \$44,662.32 were spent to provide homelessness prevention services to low-and moderate-income families.

## CDBG-Funded Domestic Violence Shelter Service

More than \$87,320 of CDBG funds was spent under contracts with five (5) non-profit agencies to provide shelter and related services to over 1,092 women and their children. The agencies involved include: DOVES of Big Bear Lake, House of Ruth in Pomona, Morongo Basin Unity Home in Joshua Tree, High Desert Domestic Violence and Victor Valley Domestic Violence Services (A Better Way Shelter) in Victorville.

## Anti-Poverty Strategy

Mechanisms for addressing anti-poverty priority needs include employment programs, income management counseling, housing assistance programs, emergency service

programs, nutrition programs, and family self-sufficiency programs. Various entities have existing programs that serve to fight poverty. These include:

- Employment programs such as JTPA, SBETA, SYEP, and GAIN
- Income Management Assistance is provided via Energy Conservation under the Weatherization Program
- Housing Assistance is provided in the form of emergency rental assistance, payments for mobile home space rent, vouchers for overnight assistance through community organizations, and HOME TBA Security Deposits.

Emergency Services include provision of basic survival needs for low-income clients experiencing crisis situations. Nutrition Programs include the Food Bank, Congregate Dining Facilities, and soup kitchens. Family Self-Sufficiency is addressed through the County's Promoting Safe and Stable Families (PSSF) contract, and other case management programs operated by non-profits and County agencies such as JESD.

The Community Action Partnership of San Bernardino County (CAPSBC) is responsible for developing and implementing the County's Anti-Poverty Strategy. Activities that CAPSBC has undertaken to implement its Anti-Poverty Strategy and the objectives of those activities are noted below.

CAPSBC coordinates the County's Food Bank activities. Primary objectives are to coordinate and implement countywide distributions of USDA surplus commodities and salvage food to eligible households and soup kitchens. CAPSBC also coordinates the Nutrition for Seniors activities. Primary objectives are to prepare and serve nutritious, hot meals to seniors at congregate dining rooms; and to prepare and deliver nutritious, hot meals to homebound seniors.

CAPSBC operates an Energy Conservation/Weatherization Program. Primary objectives are to weatherize low-income dwellings; perform residential energy audits / bulb installations; and provide clients with energy conservation education. In addition, the Energy Conservation Program administers HEAP (Home Energy Assistance Program) to assist clients with utility payments. CAPSBC's Energy Conservation Program also performs lead-based paint abatement for eligible dwellings. CAPSBC also operates a Family Development Program. Primary objectives are to provide for emergency needs such as food, rental assistance, motel vouchers, etc., and to administer a self-sufficiency program providing educational assistance, life skills training, employment training, etc. CAPSBC also provides special purpose mini-grants to community based organizations experiencing emergency and hardship situations.

Other County agencies are involved in providing anti-poverty assistance. They include the Departments of Public Social Services, Aging and Adult Services, Jobs and Employment Services, Preschool Services, and Economic and Community Development.

## **Affordable Housing Assistance**

In order to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families, the County continues to support activities of nonprofit housing developers and the Housing Authority in their respective efforts to provide affordable housing through new construction, acquisition, and/or rehabilitation of rental properties. Additionally, the County has continued to provide incentives (bond financing, density bonuses, priority processing) to for-profit and nonprofit developers of affordable rental housing.

Providing properties that are affordable is an extremely difficult task in our county. As mentioned earlier, our median income is the same as the national media income, but the median price of a house is 57% higher than the national median price. With our residents paying a greater portion of their income on housing, then the national average along with having some of the longest commutes, the effect of \$3 dollars a gallon gas, might make affordability an even more difficult task than it already is.

With the cost of vacant land skyrocketing (in some cases prices have gone up 4 to 5 times in the past 4 years) along with construction costs going up (due to gasoline prices; demand for building materials in China and now with the rebuilding of the Gulf Coast due to hurricane Katrina (9/2005) putting an even greater demand for building materials) it just makes our goals that much more difficult to achieve.

The County annually receives a HOME Program formula grant allocation from Housing and Urban Development. HOME funds are used to provide assistance that meets specific affordable housing needs identified in the Consolidated Plan. The County's HOME Grant is administered by the County of San Bernardino Department of Community Development and Housing (CDH). HOME Program funds are used to provide affordable rental units, tenant-based monthly rental assistance, security deposit assistance to tenants, and homeownership assistance within the County's HOME Program area.

There are no statutory requirements for specific geographic targeting of HOME assistance and no special target areas where HOME funds must be used. HOME funds are provided on a first-come, first-served basis for projects located throughout the unincorporated areas and in the cooperating cities without priority area distinction. The geographic distribution of funding is achieved through marketing and advertising of program information throughout the county. CDH's Housing Division targets special needs service providers in notifications of requests for proposals and advertises in local papers and papers that serve subpopulations e.g., Hispanic newspapers.

HOME Program funds may only be used to assist households with incomes at or below 80 percent of the applicable Area Median Income (AMI) level, with adjustments for household size, as established by HUD. The HOME Program Regulations further specify that 90 percent of the overall HOME Program funds used to provide rental assistance must benefit households at or below 60 percent of AMI. Affordable, multifamily rental development projects must make available, at a minimum, 20 percent of the HOME-assisted units to households at 50 percent or less AMI. There are no income targeting restrictions specified

in the regulation governing homeownership assistance programs beyond the requirement to provide assistance to households at 80 percent or less AMI.

San Bernardino County's HOME Program meets all targeted income minimum benefit requirements through a combination of income targeting for the various HOME program components. For instance, initial occupants of units in rental projects must have incomes at or below 50 percent of median income in most cases. Tenant-based rental assistance in this County to-date has been provided only to households with incomes at 50 percent or less of median income. This helps balance out any changes in income that might increase the percentage of tenants in the range of 60 percent to 80 percent of median income over time in rental property units with ongoing affordability requirements.

Any applicants for Homeownership Assistance who have incomes over 80 percent are not eligible under the HOME Program and are denied assistance.

All rental property projects assisted with HOME funds are subject to "terms of affordability" as provided in HOME Regulations. In return for HOME assistance, one or more units in the project (called "HOME units") must be made available to very low- and/or low-income tenants, at affordable rents, for a minimum period of five (5) to twenty (20) years, depending on the average amount of assistance per HOME unit or the type of project assisted. Tenants must provide appropriate information to confirm that they meet the income guidelines for the HOME units. Rents for the HOME units may not exceed statutory limits, as defined in HOME Regulations, in order to be considered "affordable" to the intended occupants.

The County has a responsibility to monitor all rental property projects annually throughout their period of affordability. HOME rents and tenant incomes in HOME units are reviewed to ensure that they remain within the affordability guidelines for the project, and that all other applicable compliance requirements are met. Periodic site visits must be made every one (1) to three (3) years, depending on the number of HOME units in the project, to verify that the HOME units are being maintained in such a way that they continue to meet State and local Housing Quality Standards. During site visits, County staff also ensure that the property manager is following appropriate record keeping procedures.

The terms of affordability applicable to properties purchased with HOME down-payment assistance funds require that the property remain owner-occupied for a period of either ten (10) or twenty (20) years, depending on the amount of assistance provided. If the property is sold during the first half of the affordability period, the entire amount of HOME assistance must be repaid to the County. During the second half of the affordability period the loan is forgiven proportionally over the remaining years of the affordability period. If the owner occupies the property for the duration of the affordability period, there will be no further repayment requirement.

Homebuyers must only meet qualifying low-income guidelines at the time of purchase. Income does not have to be reviewed thereafter, and there is no penalty to the homebuyer if income subsequently exceeds the low-income guidelines. There are also no subsequent property inspection requirements. A declaration of insurance showing the County as an

additional insured party is required prior to close of escrow. Homebuyers are required to maintain homeowner insurance, with the County named as additional insured in the event that the property is damaged or destroyed before the affordability period has been completed. Recorded documents also ensure that the County is notified if the property goes into default or foreclosure, or if a change of ownership is attempted. If the County discovers that the property is no longer owner-occupied, the owner is required to repay the outstanding amount of the loan.

Although none of the County's HOME Program activities in FY 04/05 lead to physical or economic displacement, guidelines are in place to address the requirements of the Uniform Relocation Act (URA), including steps to be taken to minimize the displacement of occupants of properties that will be assisted with HOME funds. All project proposals reviewed are analyzed for any potential displacement prior to approving projects for HOME funding. Guidelines for reviewing HOME projects include following these steps:

- identify in a timely manner all occupants of properties that will be assisted with HOME funds,
- determine whether or not occupants of properties that will be assisted with HOME funds will be required to move permanently as a result of the project,
- determine what steps must be taken to meet relocation obligations to tenants who are forced to temporarily or permanently move from properties that will be assisted with HOME funds.

### Community Housing Development Organizations (CHDO)

A Community Housing Development Organization is a local nonprofit developer of affordable housing certified by the County as meeting all applicable federal requirements specified in HOME regulations. Once certified, a CHDO become eligible to apply for monies which must be set aside for use on CHDO affordable housing projects only. A 15 percent set-aside of a Participating Jurisdiction's (PJ's) annual HOME Program allocation is federally mandated. CHDO funds are most often used to facilitate multifamily rental property acquisition and rehabilitation however, they may also be used for new construction.

During FY 04/05, the County continued to identify potentially eligible non-profits for CHDO status. To become certified as a CHDO in San Bernardino County, a non-profit must have proven staff and financial capacity, an experience base in the local area, and a mission to provide decent, safe, sanitary and affordable housing to eligible persons.

CDH staff work closely with existing organizations, agencies, and members of the public, providing guidance, distributing informational brochures, and interpreting regulatory language so that more community based affordable housing organizations can attain CHDO status and gain access to CHDO set-aside funds. The County CHDO review process, pursuant to the HOME Program regulations, is detailed, and precise.

Sixteen CHDOs have been certified since the HOME Program was first implemented in this County. Twelve existing CHDOs are currently recertified, and four CHDO recertifications are pending.

### HOME Rental Property Program (Rental Rehabilitation & CHDO Funds)

These HOME funds may be used for the acquisition of affordable rental housing, and/or essential improvements to correct substandard conditions. Non-CHDO funding for these activities is available to nonprofit and for-profit developers of rental housing. CHDO funds may also be used for new construction (by certified CHDO's only) as well as acquisition and/or rehabilitation.

Eligible properties include single- and multifamily rental units that are or will be occupied by income-eligible households. Rehabilitation activities may include weatherization of roofs, windows and/or doors, upgrade or repair of electrical, heating, and plumbing, painting, kitchen and bathroom improvements, and handicapped accessibility modifications.

HOME Program Rental Property Acquisition and Rehabilitation Agreements specify that, at a minimum, 20 percent of all HOME-assisted multifamily rental units must be made available to households at 50 percent or less AML. The precise number of units is also specified in the agreement, and in most cases, these projects yield more than the required 20 percent minimum number of units for that income population. Additionally, while most projects restrict only a portion of the units as HOME-assisted, in many cases a majority of the units in these projects are offered at rents which can also be considered "affordable".

One loan was funded during the 2004-05 program year. A loan in the amount of \$3,000,000 provided financing for the acquisition of 160 existing individually owned condominium units to be converted into an affordable rental housing project in the city of Rialto. Sixteen CHDOs have been certified since the HOME Program was first implemented in this County. Twelve existing CHDOs are currently recertified, and four CHDO recertifications are pending.

Demand for rental rehab funding by private owners continues to fluctuate, therefore as the need arises to increase support to CHDO rental projects, the unused allocation of rental rehabilitation funds are reallocated for use by CHDOs. This continues to result in assistance to CHDO projects in excess of the required 15 percent set-aside of the HOME grant to be made available only to CHDOs, and has generated increased interest among private and non-profit affordable housing developers to become CHDOs. CHDO funds are used to finance new construction, acquisition, and/or rehabilitation of rental properties. Based on the amount of HOME CHDO and Rental Property Acquisition and/or Rehabilitation Program funds used in the County, the five-year goals for providing affordable rental housing should be met.

### HOME Rental Property Rehabilitation/Refinance Program



This program was developed in response to expressed demand from the local development community, and pursuant to the HOME Program Regulations, and the guidelines specified in Section III, 1999-2000 ACTION PLAN. Discussions with representatives from the rental real estate profession repeatedly surfaced the issue of refinancing assistance, and indicated the need for that type of assistance. As a result, HOME funds in the amount of \$250,000 were budgeted for the FY 04/05 program year to provide refinancing assistance to owners of affordable rental housing projects where the primary affordable housing activity to be funded would be rehabilitation. The County has managed a highly successful HOME Rental Property Acquisition and/or Rehabilitation Program since receiving its initial HOME Program Grant, and proactively designed the new Rental Property Rehabilitation/Refinance Program in accordance with the HOME Program Regulations. This new program has the potential to create additional affordable housing opportunities while maintaining the existing affordable housing stock; however, to date, no applications for this type of HOME assistance have been submitted for consideration.

### Tenant-Based Rental Assistance Programs

The County provides approximately 10 to 15 percent of its annual HOME allocation to fund Tenant-Based Rental Assistance (TBRA) activities authorized under HOME Regulations.

### HOME TBRA Monthly Rental Subsidy Program

Under the monthly rental subsidy component of the HOME TBRA Program, an ongoing rent subsidy is paid each month to the owner of the approved rental unit occupied by a program participant. The rent subsidy is determined by the Housing Authority based on the difference between 30% of the tenant's income and the Fair Market Rent for the size of unit authorized.

A total of \$622,013 was used in FY 04/05 to assist 138 households; 9 participants were already active and eligible to receive on-going assistance in FY 04/05 and 129 were new participants added during FY 04/05.

Of the two (2) Tenant-Based Rental Assistance (TBRA) Programs, only the Monthly Rental Assistance Program has ongoing monitoring requirements. Each active monthly rent subsidy participant's income must be reviewed and re-certified annually. Each rental unit must also be inspected annually to ensure that it continues to meet Housing Quality Standards. In its capacity as administrator of the HOME TBRA Rental Subsidy Program, the Housing Authority performs the required income re-certifications and property inspections annually for each active participant.

If the participant's income exceeds applicable income limits at re-certification, monthly rental assistance must be terminated. All renewals of assistance contracts with owners of rental units are contingent upon meeting Housing Quality Standards. Administrative policy requires that, if a property fails the annual inspection, the owner must make necessary repairs or the assistance contract will not be renewed, or if the contract has not yet expired, it will be cancelled. In either case, the participant would have opportunity to seek an appropriate replacement unit.

## TBRA Security Deposit Assistance Program

Security deposit assistance is provided so that the participant may secure appropriate rental housing. Assistance contracts with owners state that the deposit is provided on behalf of the participant, and that if any refund is due at the end of tenancy, the refund shall be paid to the tenant. This refund provision is intended to serve as an incentive to the participant to be a responsible tenant and avoid damage to the unit and unpaid rent so that the maximum refund can be re-used toward the tenant's next security deposit when they move to another unit.

During the year, the Housing Authority provided \$564,197 in security deposit assistance to 436 households that included participants in the HOME TBRA Monthly Subsidy Program, households selected from the Section 8 Waiting List who were offered Welfare-To-Work vouchers, as well as participants in the various special rental assistance programs administered by the Housing Authority.

Based upon the success of this program and its positive impact on tenants, owners and the Housing Authority itself, the Housing Authority will continue the program in FY 04/05. Available TBRA funds will allow new Welfare-To-Work voucher holders, as well as participants in other rental assistance programs administered by the Housing Authority, to secure decent housing during the year.

## Homeownership Assistance Program

Participants in the Homeownership Assistance Program may have incomes up to 80 percent of Adjusted Median Income. Assistance is provided to eligible applicants on a first-come, first-served basis. Applicants may be individuals, small-related households or large-related households. Applicants may be first-time homebuyers, previous homeowners who are currently renting, or under certain conditions, existing homeowners who must leave their current residence.

Funding for the Homeownership Assistance Program is a combination of HOME funds, private investment in the form of buyer down payment, and institutional lending in the form of first trust deed financing. Buyers are required to make a 3 percent contribution toward the total down payment. The buyer also pays normal prepaid closing costs to set up necessary impound accounts for taxes and insurance. First trust deed financing is arranged for a total house payment including principal, interest, taxes, and insurance equal to 33 percent of the buyer's gross monthly income. County second trust deed financing provides:

- up to 3 percent of the purchase price for closing costs, and
- "GAP" financing (the difference between the purchase price of the prospective property and the first mortgage financing plus the buyer's 3 percent contribution).

One of the most satisfying results of the Homeownership Assistance Program is being able to move very low-income families from renters to homeowners. Because this is a HOME-funded program, buyers must be low-income and earn no more than 80 percent of AMI. The Consolidated Plan anticipated that approximately 90 percent of participants would be buyers with incomes in the range of 60 percent to 80 percent of AMI, and only 10 percent of buyers were expected to have incomes lower than 65 percent of AMI. However, the Homeownership Assistance Program has reached many households with incomes well below 80 percent of AMI.

The extent to which the Homeownership Assistance Program has been able to reach down the income ladder to create new homeowners has exceeded even the County's expectations.

A strong emphasis on homebuyer training prior to the close of escrow and a true commitment to homeownership by the buyers is expected to contribute to the long-term success of the families participating the Homeownership Assistance Program.

In FY 04/05, a total of \$1,229,950 was used to assist 29 households. The average amount of HOME assistance per homebuyer in FY 04/05 was approximately \$42,412.

### CDBG Housing Rehabilitation and Repair Programs

The County of San Bernardino receives an annual CDBG formula grant from HUD and allocates a portion of its CDBG funds for affordable housing activities. These activities include the homeowner housing rehabilitation program and the housing repair program for senior and disabled homeowners. All participants in both programs had income levels at or below 80% of median income.

Through its CDBG-funded Homeowner Rehabilitation Program, the County completed repairs on housing units, upgrading their conditions to Section 8 Housing Quality Standards. A total of \$214,194 was used to assist thirteen (13) households. Loan payments totaling \$856,092 were received during the year.

Through the CDBG-funded Senior/Disabled Repair Program, the County made essential repairs to housing units of eligible participants. A total of \$663,654 was used to assist 252 households.

CDH's Homeowner Rehabilitation and Senior/Disabled Repair Programs are available on a first-come, first-served basis to all eligible residents within the cooperating cities and all unincorporated areas of the County. Residents of the entitlement cities of Apple Valley, Chino, Chino Hills, Fontana, Hesperia, Ontario, Rancho Cucamonga, Rialto, San Bernardino, Upland, and Victorville are not able to access these programs.

### Housing Authority Programs and Activities

The Housing Authority of the County of San Bernardino plays a significant role in providing affordable housing and supportive services to lower-income households. The Housing

Authority manages, maintains, and improves public housing, provides supportive services, and offers opportunities for economic advancement to public housing residents. Its non-profit arm, Housing Partners I, Incorporated, is active in developing additional affordable housing. The Housing Authority also administers the Section 8 Housing Choice Voucher Program, including several special purpose Section 8 grants.

## **Public Housing**

The Housing Authority owns and/or manages the County's stock of public housing units, which are made available for occupancy by very low-income families who pay no more than 30 percent of their monthly income for rent. The units, majorities of which were developed with Department of Housing and Urban Development (HUD) funding, continue to receive an operating subsidy from HUD. The remaining units were developed through a variety of partnerships with the State of California, the County of San Bernardino, cities throughout the County, and other non-profit agencies. With the cooperation of these partners, the Housing Authority has developed senior housing in Montclair, Yucaipa, San Bernardino, Victorville, Fontana, and Twin Peaks.

The Housing Authority has a comprehensive plan and program for renovating and improving public housing. In addition, the Housing Authority has developed and implemented a strategy for abatement of lead-based paint hazards in public housing. Various supportive service programs are also made available to public housing residents, either directly through the Housing Authority, or in cooperation with other service entities.

## **Public Housing Development/Affordable Housing Development**

The Housing Authority no longer receives funds from HUD to develop additional Public Housing or to acquire scattered site units throughout the County. In order to provide additional Public Housing, especially for very low-and low-income large families, housing development opportunities are now pursued by the Housing Authority through sponsorship of a non-profit organization, Housing Partner I (HPI). The Housing Authority and HPI coordinate with various cities and the County, to help convert community eyesores into community enhancements, and to eliminate blight. Acquisition and rehabilitation of existing properties has also been accomplished by HPI. HPI has utilized funds provided through the County's HOME Program, along with funds from other sources to increase the supply of affordable housing that is made available to low-income residents, especially those with special needs.

HPI is actively involved in identifying nonfederal resources and finding ways to combine and leverage any federal resources that become available for projects that it pursues. Some of the nonfederal resources used by HPI in conjunction with HOME Program funds can be claimed by the County as match credit for the HOME Program.

## **Housing Choice Voucher Program (Section 8)**

The Housing Authority also administers the federally funded Housing Choice Voucher Program, which, like Public Housing, mainly serves extremely low-income households. All

housing assisted under the Housing Choice Voucher Program must meet federally established Housing Quality Standards to ensure that the housing is decent, safe, and sanitary.

Rental assistance is provided through the issuance of Housing Choice Vouchers to eligible very low-income households. Under the Voucher Program the amount of assistance provided is based on the difference between fair market rent and 30 percent of adjusted income. However, tenants can pay more or less than 30 percent, depending on housing costs and their personal resources. The landlord receives federal funds to cover the portion of rent not paid by the tenant.

In addition to the regular voucher program the Housing Authority administers special purpose housing. Special purpose include the Veterans Affairs Supportive Housing Program, Family Self-Sufficiency Program, After Care Program, Mainstream Program, Housing Opportunity Persons with Aids (HOPWA), Project Based, Shelter Plus Care, and Family Unification Program, which all target sub-allocations of Housing Choice Voucher funds to eligible participants in these programs.

### **Security Deposit Assistance**

In July of 2000, the Housing Authority implemented the HOME TBRA Security Deposit Assistance Program on behalf of the County. This program provides funding for up to two times the monthly contract rent amount. The program is used by new participants in the various rental assistance programs administered by the Housing Authority. During FY04, the Housing Authority provided Security Deposit Assistance, totaling \$412,397, to its clients.

The availability of Security Deposit Assistance has increased the willingness of rental property owners to accept voucher holders as tenants, and has also increased the proportion of actual lease-ups by voucher holders and reduced the number of voucher holders requesting extensions.

### **Other Housing Choice Voucher Special Purpose Housing Assistance**

The Housing Authority also works closely with a number of other governmental agencies to provide Special Purpose Housing Choice Voucher assistance that is coordinated with other support services. Housing assistance in support of family unification (to prevent the separation of children from their families) is coordinated with the Department of Child Protective Services.

Housing assistance for homeless veterans with severe psychiatric or substance abuse disorders is coordinated with the Veterans Administration and the VA Hospital in Loma Linda. Provision by the Housing Authority of Housing Choice Voucher assistance, in support of independent living for the mentally ill, is coordinated with the Department of Behavioral Health Services.

### **Family Self-Sufficiency**

The Family Self-Sufficiency (FSS) Program provides services and activities to assist program participants to complete education/training, to empower them to find suitable employment and become independent of welfare assistance.

A FSS Program has been in operation for fifteen (15) years. The program has witnessed the “first steps” of over 500 participants working on goals and plans to help them achieve economic independence. More than sixty-five (65) percent of FSS participants have completed their five-year goals. After joining the FSS Program, as earnings increase, the Housing Authority makes monthly deposits to an escrow account, on the family’s behalf, for future homeownership. More than one hundred (100) families have graduated from the program and moved on to homeownership opportunities.

### **Public Housing Improvements**

The Housing Authority maintains a continuous effort to improve the management and operation of Public Housing and to improve the living environment of residents of public housing. This is in addition to making repairs on an ongoing basis to maintain housing units so that they continue to meet Uniform Physical Condition Standards.

The Housing Authority’s Capital Improvements Program provides for renovation and modernization of Public Housing. Improvements include roofs, playgrounds, streets, driveways, and fencing at most of the larger Public Housing sites.

### **Public Housing Resident Initiatives**

The Housing Authority actively encourages and supports the involvement of residents in many management and operation phases of Public Housing. Resident Advisory Councils are an important way for residents to provide input for plans, programs, and activities that provide enrichment opportunities to improve their quality of life within public housing, and to facilitate transition to self-sufficiency and homeownership.

To increase the involvement of residents in management, the Housing Authority has utilized funds it received from HUD for this purpose to develop a jurisdiction-wide resident advisory council.

Residents, working in cooperation with the Public Housing Agency, have been successful in securing the presence of Head Start, and on-site services by the Departments of Public Health and Behavioral Health. In addition, over the last few years the Public Housing facilities have been sites for the Summer Lunch program. Residents have worked hard, in cooperation with the Police Department, to establish and maintain Neighborhood Watch Programs in each sector of the developments.

Many residents participate in a food bank program that encourages resident volunteer efforts as a way to support a low cost food program. Residents also coordinate with the Registrar of Voters to have polling places located within the community, encouraging residents to become more active as voters and to be recognized as such.

## **Mortgage Revenue Bonds**

Between 1980 and 1990 the County of San Bernardino issued over \$743 million in Mortgage Revenue Bonds to finance the development of affordable single family and multifamily housing. Federal legislation governing tax exempt financing expired on December 31, 1992. The sunset on this legislation was reversed when new enabling legislation was approved in mid-1993 to make these provisions permanent.

In 1995, the County again began issuing single-family mortgage revenue bonds, and has subsequently issued additional bonds. Although no new multifamily mortgage revenue bonds have been issued to fund new construction of affordable rental units, bonds have been issued for acquisition of existing multifamily complexes. In addition, a significant number of refunding bond issues have been processed to extend the maturity dates and/or lower the interest rates on existing multifamily mortgage revenue bonds.

### **Single Family Mortgage Revenue Bond Program**

This Program assists households earning up to 120 percent of median income and is an integral part of the County's strategy to increase affordable housing. Indirectly, it provides potential affordable housing for households with incomes at or below 80% of area median. As first-time homebuyers, participants are generally moving from rental property, which increases the supply of rental housing that is available for selection by other renters.

Due to decreasing interest rates, it has been extremely difficult to be competitive with the open market, and therefore we did not fund any mortgages. Interest rates are still at historically low levels and as such, our bond program has not been able to offer interest rates lower than market rates. Until interest rates go up, this program will not be a competitive product in the market place.

### **Multifamily Mortgage Revenue Bond Program**

Through its Bond Inducement process, the County will continue to actively encourage developers to utilize mortgage revenue bond funds for acquisition and/or rehabilitation of existing non-bond properties, as well as new construction of multifamily housing. The County will also continue to refinance existing bond-funded projects as the current affordability requirements near their expiration date in order to retain affordable units in its MRB multifamily rental unit inventory. In some cases, the number of affordable units in refinanced projects may actually increase due to deeper income-targeting requirements than in the past. With interest rates at historic lows along with ever increasing rents, this program is facing extreme challenges, the likes of which we have never faced. With market interest rates similar to bond interest rates and market rents higher than bond rates, there is little, if any, economic benefit to the owner/investor to utilize the bond program. If these market trends stay the same, we will continue to have an extremely difficult time in maintaining affordable units.

During FY 04/05 the County consented to the sale of four existing multifamily projects. The

new owners must maintain the existing affordability requirements for the 221 existing bond units in these projects. Three existing projects were redeemed with a loss of 80 bond units.

### **California Cities Home Ownership Authority (CCHOA) Lease Purchase Program**

The initial funding for this program has expired and CCHOA has been looking at offering a different lease purchase program. In light of the proposed changes and given the success of the original program, we are looking for ways to offer the original program. We anticipate having the original operational by the Spring of 2006.

## **Neighborhood Initiative Program**

The 1999-00 Consolidated Plan identified a national pilot program to revitalize neighborhoods and eradicate blight by using concentrated assistance, new methods, and new initiatives. During FY 99/00, the County of San Bernardino entered into Cooperation Agreements with the three Cities involved in the County's Neighborhood Initiative program. The County of San Bernardino also became the first entity in the nation to enter into an agreement with FHA utilizing the new disposition program spelled out by congress as part of H.R. 4194, which created the Asset Control Area concept.

With the passage of H.R. 2158 the County of San Bernardino was awarded a \$15,000,000 Neighborhood Initiative grant to *"improve the conditions of distressed and blighted neighborhoods or areas"*. Since then the Department of Economic and Community Development has been working diligently with the three cities involved (Highland, Redlands and San Bernardino) on the development and implementation of this national pilot program. The County has forged partnerships with private and public, non-profit and for profit entities in order to ensure all available resources are maximized to the fullest extent possible in improving the conditions of blighted neighborhoods.

A major component of the Neighborhood Initiative Program is the purchase of FHA owned properties. The County of San Bernardino was the first in the nation to enter into an agreement with FHA utilizing FHA's disposition guidelines as spelled by Congress under H.R. 4194, which established the concept of a "preferred purchaser" buying all of FHA owned properties in a specific area known as an Asset Control Area. This agreement was entered into on December 7, 1999. These Asset Control Areas have a high concentration of FHA owned properties. These vacant, dilapidated properties have had a strong negative impact on these areas. By rehabilitating and selling these properties to owner-occupants, a major, if not the biggest, cause of blight in that specific area is eliminated.

The County of San Bernardino started taking title to FHA owned properties on March 4, 2000. As of June 30, 2005, a total of 580 formerly owned FHA properties had been acquired by the County. By June 30, 2005, the County had rehabilitated and sold, 551 properties. The remaining 29 properties were vacant lots, where FHA had demolished the existing structures because they were in such a dilapidated condition, they were financially unfeasible for rehabilitation. We donated 20 of the vacant lots to the Housing Authority.



The Housing Authority has built 7 new houses and sold them to low/moderate income families, with the remaining 13 lots in various stages of construction. The other 9 vacant lots are located along Ward Street in the City of Highland and we are working with the city on building new houses. The City of Highland owns an additional 20 vacant lots along Ward Street and we are planning on new houses being built all at the same time to try to take advantage of the economies of scale.

Besides the rehabilitation of former FHA owned properties, the Neighborhood Initiative Program also rehabilitates dilapidated, owner-occupied housing in targeted areas. To date, over 175 non-FHA properties have been rehabilitated. Over two million dollars have been spent on infrastructure improvements in these targeted areas. With the proceeds from the sale of former FHA owned properties, the County has paid for nearly seven million dollars worth of revitalization projects.

### Public Policies to Limit Barriers to Affordable Housing

The Consolidated Plan includes a discussion of potential barriers to affordable housing. These barriers may result when a jurisdiction chooses to not zone sufficient land in a range of densities to ensure that housing can be produced to meet expected growth. Barriers to affordable housing may occur when an excessive amount of time is required to process development applications and/or when exorbitant fees are charged for development permits.

Four factors related to local governmental policies and actions that may constrain the construction or improvement of affordable housing were identified in the Consolidated Plan. They are land use controls; building codes; processing procedures; and exactions and fees.

The County of San Bernardino has an on-going program to review the Development Code annually, for possible revisions that would assist in creating more affordable housing. The purpose of this program is to identify ordinances, non-essential to health and safety, which act as contributing factors to the high cost of housing. This program analyzes feasible methods to streamline governmental review and standards in order to reduce the time and monetary costs associated with new housing production.

Affordable housing, by its very nature, is extremely price sensitive. Any additional increment of cost is proportionally more damaging in terms of providing a product that meets the affordability standards of the jurisdiction.

The time normally required to proceed through the County's development review process adversely impacts the cost of housing by increasing the cost to developers holding property for development. These costs are passed on to future buyers through increased housing prices. A 1988 study by the Claremont Institute indicated that government delays can add 28.7 percent to the cost of new home prices and may account for as much as 15.7 percent of the sales price.

Under the Housing Incentive Plan, a provision of this program provides for priority in permit processing, when requested, to speed approval of developments that provide affordable housing in the jurisdiction. Criteria have been developed that take into account legal

requirements for review of development applications and staff availability. Every effort is made to accommodate a swift review of development documents so that additional cost will be minimized.

### Institutional Structure

The County of San Bernardino engaged in the following activities to strengthen identified weaknesses in the institutional structure established to carry out its strategy:

- Maintained communication with non-profits organizations regarding Federal, State and local housing programs, including Notices of Funding Availability.
- Provided technical assistance to organizations applying for Federal, State and local funding for affordable housing programs.
- Conducted meetings with San Bernardino County Public Housing Authority regarding joint activity in developing affordable housing.
- Gathered information from various County departments and Homeless Coalition members for the purpose of updating the Consolidated Plan.

### Intergovernmental Cooperation

The County of San Bernardino, in an effort to achieve intergovernmental cooperation between the jurisdiction, state, and private agencies, engaged in the following activities:

- Communicated with cooperating cities in San Bernardino County concerning implementation of the County's affordable housing programs, and the 1999 Consolidated Plan.
- Attended affordable housing workshops, seminars and conferences sponsored by Federal, State and local housing agencies and disseminated this information to local agencies, non-profit community-based service organizations, and the housing components of cooperating cities.

### Private Sector Participation

Various private-sector groups and public entities have participated with CDH over the past four years, both during program design of HOME activities and during program implementation. The individual program narratives in the previous section include descriptions of the roles that many of these private-sector groups and public entities have played. These groups continue to play a part in improving program efficiency and effectiveness, finding innovative ways to leverage HOME funds, and addressing identified needs with a combination of available resources.

During FY 04/05, CDH continued to meet with various groups upon request or as additional target groups were identified. With regard to the Homeownership Assistance Program (HAP) in particular, CDH has provided training opportunities for additional lenders, realtors, and developers. We want these individuals to become informed about the HAP and to become active participants in services that must be available in the community to match eligible homebuyers with appropriate housing and private lender financing. A broader range and higher quality of participation has resulted.

In order to maximize private-sector participation, CDH has implemented incentives to encourage non-profit applicants for Rental Property Assistance to incorporate private-sector participation and funding to the fullest extent possible. During FY 04/05 there was great progress in expanding private sector interest and participation in rental property assistance projects. A number of private entities also met with CDH staff during FY 04/05 to discuss possible roles that they could begin to play in the HOME Program.

### Priority In Multi-Family Rehabilitation For Barrier-Free Housing

The County gives first priority to applications for low-interest rehabilitation loans involving projects containing 10% or more units which are designed to be accessible to the disabled. This is a policy, not a program. No proposals for multi-family rehabilitation projects with 10% or more handicapped accessible units were received by the Department of Community Development and Housing under any of the affordable housing programs that it administers. Handicapped accessible units and features have been and continue to be provided in many of the multifamily rental projects undertaken with HOME funds, however, no proposed projects have had 10% or more designated handicapped accessible units in them.

### Lead-Based Paint Hazard Reduction

The County adheres to the following strategies to reduce the occurrences of lead poisoning:

Strategy 1: Coordinate public and private efforts to reduce lead-based paint hazards and protect young children. Maintain an inter-agency work group and public-private task force to coordinate and provide direction for prevention efforts.

Strategy 2: Integrate lead-hazard evaluation and reduction activities into existing housing programs. Integrate activities to identify and reduce lead hazards with all government-assisted housing rehabilitation activities.

Strategy 3: Develop technical capacity. Develop a core of environmental lead specialists who can ensure that the technical aspects of assessment and lead-hazard reduction are managed appropriately.

Strategy 4: Promote comprehensive public health programs. Support the development of programs with capability for screening, follow-up of children identified as lead poisoned, public education and prevention.

Strategy 5: Seek passage of state and local laws. Reduce lead-based paint hazards, protect the public and move to a primary prevention approach.

Strategy 6: Provide public information and education. Clearly communicate the extent of the lead problem and the measures to be taken to reduce risk and protect health.

The County Department of Public Health reported 112 new cases of lead-based paint poisoning for FY 2004-05. All patients receive physician treatment until the amount of lead found in the patient's system is reduced to an acceptable level.

The County Department of Environmental Health Services, Housing and Hazardous Waste Division, as well as Public Health, has been given the responsibility for coordinating lead-based paint incidents, coming as a result of public complaints or hazards identified through the permitting process.

If property under construction or renovation is found to have levels of lead exceeding State and Federal guidelines, the County staff monitor these contaminated parcels until the situations are rectified.

### Affirmative Marketing

The Department of Community Development and Housing (CDH) continues to be proactive in its quest to extend its various HOME and other affordable housing programs to eligible persons in the housing market area, without regard to race, color, national origin, sex, religion, familial status, or disability.

CDH also continues to implement various ongoing public awareness-marketing programs. An established marketing team within CDH's Housing Development, Finance and Preservation Division (Housing Division) has developed an affirmative marketing plan that promotes the HOME Program components and provides information to eligible persons from all racial, ethnic, and gender groups. The County's affirmative marketing strategy includes ongoing identification of additional target groups for affirmative marketing. Based on the success of the affordable housing information provided to County employees through payroll inserts, CDH has found a new and positive vehicle for a mass dissemination of information and will pursue this avenue with large employers, public and private, located in San Bernardino County.

Presentations regarding the HOME Homeownership Assistance (Silent Second) Program (HAP) are made to community-based organizations, and at the annual Real Estate Technology Fair sponsored by the local Board of Realtors. Housing Division staff remain available to provide information to community groups at their request. Extensive HAP lender training is conducted, with lenders attending from throughout the County. In addition, mini-sessions are conducted for interested institutions as needed.

All HOME Program brochures were updated in FY 04/05 and the HAP brochure was translated into Spanish. Brochures for all components of the HOME Program are sent out in response to inquiries from the public. Brochures are made available upon request to

community-based organizations, public agencies, churches, libraries, ethnic organizations, hospitals, public utility companies, colleges, lending institutions, realtors, and developers with new affordable tract homes.

The County also actively participates in National Fair Housing Month. Special activities are held throughout the County during the month, which serve to promote Fair Housing and educate the public on the legal rights of tenants, landlords, buyers, sellers, lenders, and agents. In compliance with affirmative marketing requirements as cited in 92.351, the County continues to use the Equal Housing Opportunity logotype or slogan as a statement of support for the affirmative marketing policy in all its communications relative to any component of the HOME Program.

The County will continue appropriate affirmative marketing methods for each of the HOME Program components as the marketing campaign continues in FY 04/05. Again, more than 5,000 HOME Program component flyers and brochures will be targeted to identified organizations. CDH intends to implement a plan to distribute these promotional materials directly to community-based organizations using available public service employees.

The County will continue promotion of the HAP to lending institutions, realtors, and developers with new, affordable tract homes. Letters notifying lenders of the HAP will be sent Countywide and training sessions will be scheduled. Based on the level of interest, CDH staff is available to broadcast public service announcements for radio and cable television networks, in English and Spanish. Other HOME components have used and will continue to use these successful affirmative-marketing methods.

### Minority Outreach

The Department of Community Development and Housing makes every effort to include qualified minority- and women-owned business enterprises in any and all contracting opportunities entered into under the HOME Program. The County has recently added the identification of disabled veteran-owned business enterprises to its contract solicitation process.

Contracting opportunities are generally very limited under the County's HOME Program. In FY 04/05, the County did not directly enter into any new contracts that would require outreach to, and the participation of, minority-, women-, or disabled veteran-owned or operated businesses in the HOME Program.

As appropriate, CDH will continue efforts to identify potential MWBE/DVBE contractors, solicit their participation, provide information to interested firms on how to do business with the County, and encourage large non-MWBE/DVBE firms to utilize MWBE/DVBE firms when subcontracting.

County policies emphasize maximum opportunities for MBEs, WBEs and DVBEs, and affirmatively support their participation in all purchasing and contracting activities engaged in by County departments. CDH will use County-approved guidelines for encouraging participation of minority-, women- and disabled veteran-owned businesses, establishing the criteria for proposals and bids, screening and selecting proposals and bids, developing

contracts that set forth performance and payment requirements, and monitoring contractor performance and compliance with contract terms.

As additional contracting opportunities arise, CDH will utilize appropriate outreach mechanisms to solicit the services of appropriate contractors in accordance with the County's MWBE/DVBE policies and procedures. As necessary, the Department of Community Development and Housing will provide workshops to inform potential contractors of the procurement procedures that will be used when obtaining services relative to the HOME Program.

## **Suitable Living Environments through Non-Housing Community Development**

In order to meet its priority of developing and sustaining suitable living environments, the County of San Bernardino implemented community development strategies and projects throughout the County Consortium. These strategies were identified in the 2000-2005 Consolidated Plan. The areas addressed through the implementation of community development strategies include public facilities and parks, infrastructure, accessibility needs, historic preservation, code enforcement, and public services, including blight abatement. Although the expansion of economic opportunities is also a part of community development, it is discussed separately later in this report.

The County of San Bernardino continues to experience a need to expand the quantity of and improve the quality of public facilities and parks that principally benefit low- and moderate-income persons. The inclusion of these facilities within the defined County target areas is essential for the development and continuation of viable urban communities.

### **Public Facilities Strategy**

As a means of improving the health and welfare of target neighborhoods and augmenting the availability of needed local services to low- and moderate-income persons, the provision of quality public facilities is essential. By implementing its Public Facilities Strategy of Community Development, the County of San Bernardino continues to incrementally accomplish its goal of developing and sustaining suitable living environments, especially in areas of low- and moderate-income concentrations.

### **Senior Center Improvements**

The County's 2004-2005 Consolidated Plan identified senior citizen center facility construction and expansion projects including: construct a senior citizen center and facility expansion project, a courtyard enclosure project, installation of emergency generators, construction of an information sign, and construction of senior center and nutrition site rehabilitation projects including air conditioning, kitchen upgrades, automatic entry door, building interior/exterior reconstruction, and parking lot, curb, gutter and sidewalk, awnings and re-roofing improvements

Over \$165,515 of CDBG funds was spent to complete five (5) senior citizen center projects. Completed projects include purchase and installation of a commercial refrigerator at the

Lytle Creek Senior Center, replacement of swamp coolers and ceiling fans at the Havasu Lake Senior Center and renovation improvements to the Bloomington Senior Nutrition facility including floor resurfacing, bathroom fixtures, paneling, front entrance doors and kitchen upgrade. Construction of a block wall to prevent erosion of the hill above the parking lot, parking lot re-paving and roof replacement at the Mojave Valley Senior Center was completed and is awaiting final reimbursement. The final reimbursement was made for walk-in freezer and refrigerator at the Barstow Senior Center. Electrical and kitchen improvements to the Scherer Senior Center in Yucaipa are nearing completion and the re-paving of the Bear Valley Senior Center parking lot is in process. During the program year, design was underway for, parking lot improvements at the Scherer Senior Center in Yucaipa. Design is complete for the construction of a senior park adjacent to the Grand Terrace Senior Center. Environmental reviews were completed for improvements to the Lake Havasu Senior Center, and for construction of a monument identification sign near the front of the Newberry Springs Senior Center.

### **Community Center Improvements**

The following projects were identified as part of the County's 2004-05 proposed one-year action plan for community center rehabilitation and improvement projects. Construct neighborhood facility projects including picnic shelters and tables, parking lots, fencing, storage containers, and installation of emergency generators, smoke detectors, heating and air conditioning equipment installation; construct building additions, re-roofing a health care center and a community center, exterior and interior painting and remodeling improvements; rehabilitate a community center kitchen; install replacement doors; assist the acquisition of a substance abuse counseling office building, lease a building to relocate a County branch library, construct a new County branch library, health care clinic property acquisition and site improvements, construct theatre renovation improvements, and construct a cultural center.

Nearly \$369,293 of CDBG funds was spent on improvements at eight (8) community centers. Work completed includes: installation of smoke detectors and permanent picnic tables at the Copper Mountain Mesa Community Center, propane heater replacement at the Landers Association Community building, Phase IV construction of expansion and ADA improvements to the Redlands Community Center, installation of roof and related improvements to the Home of Neighborly Services social care facility, improvements to the Y-Alliance facility in Redlands, purchase and installation of an emergency supply storage building at Pioneer Park in Lucerne Valley, and re-roofing of the Lucerne Valley Community Center. During the year construction was underway for re-roofing the Joshua Tree Community Center, the modular classroom rehabilitation at the PAL Center in Muscoy, facility improvements to the Libreria Del Pueblo Service Facility, and the Hi-Desert Playhouse theater in Joshua Tree. The design was completed for the replacement of water lines and irrigation systems at the YWCA of the West End facility in Ontario. The contract was awarded for the reconstruction of the Lucerne Valley Community Center ceiling. Environmental reviews and construction design work was underway for development of improvements to the Covington Park Community Center in Morongo Valley, for purchase and installation of an emergency power backup electrical generator at the Lucerne Valley community Center, for construction of the library portion of the Rancho Cucamonga

Cultural Arts Center, construction of kitchen improvements to the Temple Community Outreach Center kitchen, installation of 17 power assisted doors at the Victor Valley College, for rehabilitation of the Oro Grande Community Center kitchen, for construction of improvements to the Mojave Museum, for Installation of fencing and a storage container at the Yucca Valley community Center, for construction of a new building to house a County branch library in Hesperia.

### **Child Care Center Improvements**

As part of the 2004-05 Action Plan, the County proposed to Construct child care facility projects including installation of modular buildings, and building rehabilitation, re-roofing and classroom expansion improvements.

\$339,267 in CDBG funds was spent to install modular units for use as a children's daycare center at Wilson, and Reche Canyon Elementary Schools in Colton. Projects in the bid process are the installation of a modular unit for provision of children's daycare services at Cooley Elementary School in Colton and construction of playground improvements at the CSUSB Child Care Center.

### **Youth Center Improvements**

Identified as part of the County's 2004-05 proposed one-year action plan was the construction of youth center projects including restroom and kitchen rehabilitation improvements, swamp coolers installation, purchase and installation of maintenance/energy tracking system, roof repair, installation of a fire protection system, purchase property for Boys and Girls Club expansion, expand a teen center, and purchase and installation of portable building for after school programs.

Approximately \$162,629 of CDBG funds was spent to purchase and install a rollup curtain and nine swamp coolers at the Boys and Girls Club of the Hi-Desert in Yucca Valley. Purchase of five (5) modular buildings at the Valley of Enchantment school and two (2) modular building for Running Springs for use by the Boys and Girls Club is complete. Construction of rehabilitation of restrooms at the San Bernardino Boys and Girls Club is underway. Preliminary design and was underway for facility renovation and replacement of the air conditioning unit at the San Bernardino Boys and Girls Club and replacement of the door hardware at the Hi-Desert Boys and Girls Club facility in Yucca Valley.

### **Park and Recreation Facility Improvements**

The year 2004-05 Action Plan proposed the construction of park and recreation projects including ADA compliant restroom and playground improvements; installation of playground equipment, ADA compliant surfacing, and sprinkler systems and golf course landscaping; rehabilitation of restroom and kitchen facilities; resurfacing of play fields; rehabilitation of swimming pools; construction of snack bars, gym floors, skateboard parks, parking lots, picnic shelters, restrooms, youth sports facilities playgrounds and playground equipment; and, installation of backstops, fencing, athletic field lighting, electronic information sign,



dugouts and bleachers.

CDBG funds totaling \$694,569 were spent to complete six (6) park and recreation facility improvement projects and for construction work on three other projects. Completed projects include: purchase and installation of bleachers, soccer goals, foul poles and ball field lighting at Luckie Park in Twentynine Palms, purchase and installation of picnic tables, and barbeques at Big River Park, walkways and picnic area improvements at Ayala Park in Bloomington, installation of irrigation system and playground improvements at Oro Grande School, construction of Yermo Sports Park softball improvements, construction of ball field improvements including; lighting, fencing, sidewalks, bleachers, restroom upgrades and backstop at the Blake Little League Field in Muscoy.

During the year the following projects were underway: construction of a picnic shelter and other improvements at Kessler Park in Bloomington; for re-construction of concrete sidewalks and construction of a concrete skateboard riding park at Sunburst Park in Joshua Tree; rehabilitation of the Yucca Valley High School swimming pool; purchase and installation of an electronic community information sign at the Yucca Valley Community Center complex; installation of shade shelters and picnic tables at the Yucca Valley Community Center athletic fields; purchase and installation of playground equipment at Paradise Park, in Yucca Valley; construction of a snack bar, restroom and storage unit at Essex Park in Montclair; purchase and installation of picnic tables, shade shelter, and barbeque pits at Knott's Sky Park in Twentynine Palms; and, construction of a combination snack bar, restrooms and a utility room at Homestead Valley Park in Landers.

Environmental reviews and design work is underway for improvements to the Skateboard Park at Dana Park in Barstow, the restroom, walkways and horse arena improvements at Kessler Park in Bloomington, for the, for the "N" Street Mini Parks project in Colton, for landscaping and irrigation improvements to Veterans Park and the Luque Center in Colton, for purchase and installation of picnic tables, trash containers benches and swing set at the Wonder Valley Community Park, for pool remodeling at Luckie Park in Twentynine Palms, and for construction of parking lot improvements at Homestead Valley Park in Landers.

### **Fire Station Improvements**

The proposed FY 2004-05 single year action plan included numerous fire station improvements, especially in several of the County's outlying areas. These included construction of fire station rehabilitation projects purchase and installation of security fencing and equipments, and fire station addition projects, and purchase radios, defibrillators, fire-fighting equipment, above ground fuel tank, and off road pumper truck and two fire trucks.

During the year, \$516,837 was expended on fire station improvement projects. Fire protection equipment purchases were completed for emergency communication radios at four fire stations along the Colorado River, for breathing equipment for the Lucerne Valley Fire Station #111, and for an emergency defibrillator at the Johnson Valley Fire Station #43, rope rescue compliments for the Stations 17 and 31 in the Colorado River area, and saws and rope rescue kits for five (5) fire fighting and rescue operations in the unincorporated

area of Earp. A new type I fire truck was purchased for Adelanto fire station #321.

### **Social Care Facility Improvements**

The County's 2004-05 Action Plan identified the following social care facility improvement needs as part of our proposed one-year action plan: Construction of kitchen improvements and parking lot improvements and rehabilitation improvements to facilities that provide services to severely disabled adults, transitional housing facilities for homeless women, health care facilities and a senior day care facility. Also construct domestic violence shelter room addition, cooling and heating improvements, parking lot improvements, and purchase and installation of carpeting and tile.

\$235,667 in CDBG funds were expended to reimburse costs for completion of six (6) social care facility improvement projects. These projects consist of installation of cooling and heating equipment and electrical system improvements to the Desert Sanctuary Shelter facility in Barstow, re-roofing of the Oasis Counseling Center in Barstow, purchase and installation of a commercial stove and oven at Desert Manna Ministries in Barstow, installation of carpeting and flooring at the Haley House Domestic Violence, also located in Barstow, construction of a room addition at the Victor Valley Domestic Violence Shelter facility and reconstruction of the parking lot at the Lucerne Valley Domestic Violence Shelter. Project completed during the year pending reimbursement of final costs include: relocation and rehabilitation of a modular building to be used as an affordable health care clinic in the City of Chino. Under construction were office/work space and air conditioned enclosure project at the Fontana Rehabilitation Workshop, parking lot improvements at the CID handicapped facility in San Bernardino, improvements to the Al-Shifa Health Care Clinic in Muscoy.

Environmental review and design work were underway for re-roofing of the Desert Sanctuary Outreach buildings in Barstow, and modifications and repairs to the Mojave Valley Hospice facility to convert it for use as a senior day care center.

### **Infrastructure Strategy**

By upgrading, replacing or developing necessary infrastructure systems, the County of San Bernardino intends to improve the safety and livability of target neighborhoods. We will continue to achieve our goal of developing and sustaining suitable living environments by bettering the infrastructure foundation in target areas. In addition, these infrastructure improvements will also stimulate economic development and growth, primarily in areas where high concentrations of low- and moderate-income persons exist.

### **Water/Sewer Improvements**

The County's 2004-05 Consolidated Plan proposed the construction of water main extension improvements, install emergency generator for water well pumps, rehabilitate cemetery water systems, replace a water tank.

\$76,337 was spent on water/sewer improvement projects. Construction was completed on

the installation of a new water tank by the Rand Communities Water District to serve the residents in the Red Mountain Community. Project completion is pending reimbursement of final costs. Reimbursement of final costs was paid for water system improvement to the Earp fire station. During the year, design work was underway for water well improvements for development of a new cemetery in Lucerne Valley.

### **Drainage Improvements**

The County's 2004-05 Consolidated Plan proposed the construction of storm drain improvement projects.

\$32,525 was used for construction of drainage improvements during the year. The work included 300 LF of new storm drain improvements in the City of Loma Linda. The City of Yucaipa has undertaken preliminary project development and design work for future construction of two separate curb, gutter and storm drain improvement projects in the City of Yucaipa target area and for construction of master storm drain system improvement drainage channels.

### **Street Improvements**

As part of our proposed FY 2004-05 one-year action plan the County intended to construct new streets and reconstruct roads; widen existing highways to support new shopping center; construct trash enclosures; install street name signs, and pave dirt roads.

Over \$432,883 of CDBG funds were spent to complete six (6) street improvement projects and to begin construction on four (4) other street improvement projects. Installation of eight (8) road name signs in the Copper Mountain Mesa community was completed. Construction of curb, gutter and sidewalk and street improvements to Lankersheim Street in Highland and for curb, gutter and sidewalk improvements along Union Avenue from Orange to Post Street in Redlands and paving of Rabbit Springs Road between Midway Avenue in Lucerne Valley, and alleyway repaving, curb gutter, sidewalk and landscaping improvements along Amherst Ave in Montclair, and Camp Rock Road in Lucerne Valley were completed.

During the year, construction was underway on street and sidewalk improvements at the corner of Arrow Route and Reseda Avenue in West Fontana, and along Citrus Street and Maple streets in Colton. Paving of 3 dirt alleys from 9<sup>th</sup> to 11 streets and resurfacing of asphalt streets in low-and moderate-income residential neighborhoods of Colton is underway. Installation of road name signs in various intersections throughout target areas of the First Supervisorial District is in process.

Design was underway for; street improvements to Reche Road in Landers, Ohio Street in Loma Linda, Second Street in Yucaipa and in Top Town, Crestline and for construction of bus stop shelters in the Morongo Basin and for construction of alley and gating improvements in the target areas of Montclair.

## **Sidewalk Improvements/Neighborhood Revitalization**

The proposed FY 2004-05 single year action plan identified the construction of gutter and sidewalk projects including construction of missing segments and the removal of trees for sidewalk reconstruction, construct wheelchair ramps.

CDBG funds totaling \$739,144 were used to reimburse costs on four (4) completed projects. Parking lot improvement projects involved completion of the Ontario-Montclair YMCA facility parking lot in Ontario and the Twentynine Palms, Community Services Center parking lot at Luckie Park. Construction of walkways along Lake Drive in Crestline is complete. Construction of sidewalk improvements along Van Leuven Street between Orange Grove and San Timoteo Flood Channel, and construction of storm drain improvements and a catch basin along Van Leuven Street in Loma Linda is complete.

Projects under construction include, and construction of curb, gutter and sidewalks and driveway approaches at various target areas in Montclair and northwest areas in Colton. One business has been reimbursed for business exterior façade improvements in Grand Terrace.

Preliminary design was underway for handicap-accessible parking spaces at the Copper Mountain College and for reconstruction of parking lots at the North Norton Center in the Center for Individual Development (CID). Replacement of broken and missing sidewalk sections in City of Barstow target areas, and construction of curb, gutter and sidewalks along Shasta and Illinois Streets in the City of Colton were completed.

## **Public Services Strategy**

In addition to implementing the Public Facilities Strategy of Community Development to augment needed local services in target areas, the County of San Bernardino provides for quality public services. By implementing our Public Services Strategy of Community Development, we continue to develop a diverse network of needed services directed toward enhancing the health, safety, and overall well being of low- and moderate-income persons.

## **Senior Citizen/Handicapped Persons Services**

The County's 2004-05 Consolidated Plan proposed the provision of "Meals on Wheels" nutrition services, senior social services, in-home assistance to senior citizens, home repair services for senior citizens, grocery shopping assistance, health and therapy services, congregate and home-delivered meal services, life enrichment education, senior visitation and referral services, telephone "warmline" service, transportation services for senior citizens, weed abatement services for senior home owners, geriatric care management services for family caregivers, health and day care services, CPR training and defibrillator assistance, and computer education services for senior citizens. Also, provide transportation services for medical and social services and for students with disabilities to receive vocational training, interpreter assistance for deaf persons, therapeutic horseback

riding services, therapeutic kayaking off road and wheelchair and therapeutic recreation services and Special Olympics outreach and recreation services.

Nearly \$318,445 of CDBG funds was spent to assist twenty-eight (28) programs providing services to senior citizens or severely disabled adults. These programs were provided by twenty-three (23) agencies that reported assisting over 4,070 seniors and handicapped persons during the year. The agencies assisted include:

- United States Adaptive Recreation Center (USARC)
- Steelworkers Oldtimers Foundation
- San Bernardino County Department of Adult and Aging Services
- City of Montclair
- Developing Aging Solutions with Heart (DASH)
- Highland District Council on Aging
- Morongo Basin Adult Health Services
- County of San Bernardino Department of Special Districts
- Hi-Desert Meals on Wheels
- Reach Out 29
- County of San Bernardino Regional Parks Division/San Moritz Senior Citizens
- City of Needles
- Mojave Deaf Services
- Christmas in April
- Apple Valley Fire Protection District
- City of San Bernardino Community Services Department
- City of Rialto Senior Citizens Center
- Lutheran Social Services
- Mojave Valley Volunteer Hospice
- Trona Community Senior Center Operation
- Anderson School – SBUSD
- Big Bear Valley Paramedics
- Special Olympics Southern California

### **Children/Youth Services**

The following programs were proposed as part of the County's 2004-05 one-year action plan to provide children and youth services: recreation, counseling and motivational services; summer swimming and after school tutoring and activities; music and art education activities; self-esteem and youth leadership education; health and fitness programs, outdoor camping experiences; self-reliance, life skills and employment preparation education programs; school supplies; youth mentoring skill training and character development services; resource distribution services for at-risk children; advocacy services for abused and neglected children; anti-gang outreach and education services; parent training for hard to handle children; and cultural and historical education services.

Just over \$314,348 of CDBG funds was spent to provide twenty-eight (28) service programs to over 13,836 low-and moderate-income youth and their families. The agencies that provided these youth services include:

- City of Yucaipa
- Redlands Boys and Girls Club
- City of Redlands Police Department Recreation Division
- High Desert Youth Center
- Barstow Police Activities League
- Fountain of Life
- Arts Council for San Bernardino County
- YMCA of Redlands – Phelan Branch
- Mountain Communities Boys and Girls Club
- Boys and Girls Club of San Bernardino
- Redlands Community Music Association
- Boys and Girls Club of the High Desert
- Twentynine Palms Youth Club
- City of Chino Youth Museum
- One-2-One Mentors
- Volunteer Center of San Bernardino
- YMCA of Redlands – Highland Branch
- Mojave Basin Youth Corps
- Gang Reduction and Intervention Team (GRIT)
- Town of Yucca Valley
- Boys and Girls Club of Fontana
- Colton Police Activities League (PAL)
- Child Advocates of San Bernardino County
- Big Bear Hummingbird Project
- Bear Valley Unified School District
- Inland Counties Health System Agency
- Fontana Unified School District
- Ecclesia Christian Fellowship

Additionally, \$40,160 was spent to provide four (4) child care programs serving 880 children from low-and moderate-income families. The agencies that provided these child care services are: Soroptimists International of Big Bear Valley, Joshua Tree Kids Club, and Cypress and Warm Springs Elementary Schools in Highland, and Desert Sanctuary Domestic Violence Shelter in Barstow.

## **Social Services**

As part of our proposed FY 2004-05 one-year action plan, the County intended to participate in following social service programs: Provide legal immigration counseling and assistance services; legal aid services to low income and elderly persons; legal immigration and naturalization counseling services, transportation services for expectant mothers to medical health and well baby services; substance abuse counseling and treatment

services; substance abuse prevention education services; pregnancy counseling services, domestic violence shelter services; supportive services for tenants in HOME Program funded housing; employment information, education and vocational services; child care services including tuition assistance; after-school child care services; employment training child care services; homelessness prevention case management assistance; mental health counseling services, social service information and referral services; meal programs for homeless persons; health clinic services, emergency food, clothing and housing relief services; family emergency/disaster recovery services; tattoo removal services; hospice services for terminal patients and their families; advocacy services to abused and neglected children; emergency counseling and assistance services; Alzheimer's Disease support and education services; library services; temporary lodging for families with ill or injured children; and, fair housing counseling and tenant/landlord mediation and referral services.

Nearly \$205,289 of CDBG funds was used by thirteen (13) social service, outreach, and counseling programs to assist nearly 9,314 low- and moderate-income persons.

Agencies that provided **health and welfare** services include: Al-Shifa Health Care Clinic in Muscoy, Moses House Ministries in Hesperia, Ronald McDonald of Southern California, and Eternal Light Ministries, Big Bear Lake.

Operation Breakthrough in Big Bear Lake, San Bernardino Community Against Drugs, and Colorado River Region Youth Services, Needles assisted with **substance abuse prevention** services. Agencies that provided **counseling and referral services** include: Barstow Crisis Pregnancy Center, Mojave Valley Volunteer Hospice, Oasis Counseling Center in Barstow, and Inland Fair Housing and Mediation Board.

### **Crime Awareness and Prevention Services**

The County's 2004-05 Action Plan proposed to provide vehicles for citizen-patrol community-safety services, sexual assault crisis prevention/intervention and counseling, teen violence prevention services, graffiti abatement, community clean-up and juvenile diversion services.

Approximately \$53,690 of CDBG funds was used to provide for crisis intervention and counseling, and substance abuse prevention education. San Bernardino Sexual Assault Services provided crisis counseling and support services to 438 victims in the Cities of Redlands and Yucaipa. San Bernardino Communities Against Drugs provided youth leadership education services for substance abuse prevention to 726 youth in the Third and Fifth Supervisorial Districts. Additionally, WestCare provided substance abuse prevention counseling to 186 youths and their families in the Needles area. The Youth Accountability Board provided juvenile diversion through community clean-up to 81 youths in the City of Barstow. Graffiti was removed from 16,397 sites in Montclair, West Fontana and from unincorporated areas in the Third, Fourth and Fifth Supervisorial Districts, at a cost of \$189,647.

### **Education, Training, Legal and Referral Services**

The County's year 2004-05 Action Plan proposed literacy education services and employment training and placement services, and Native American Indian cultural education.

Approximately \$192,770 of CDBG funds were spent providing twenty-four (24) education, training, legal, and referral service programs. Adult literacy programs were provided at fifteen (15) locations and assisted over 828 persons. Legal Aid Society of San Bernardino provided legal aid services to 2,482 low-and moderate-income persons throughout the County. Legal immigration services to 56 persons were provided by Libreria Del Pueblo in the Fifth Supervisorial District and to 48 persons by Catholic Charities in the City of Barstow. Employment education and vocational services were provided to 2,411 people by the Asian-American Resource Center in San Bernardino. A Parent training program was provided by the City of Colton to 32 parents. Building a Generation provided family computer literacy and reading education services to 12 low-and moderate-income parents in Mentone. Neighborhood Partnership Housing Services provided home ownership and education services to 26 people. Computer technology instruction was by provided by the Burning Bush Baptist Church to 47 low-and moderate-income youth, adults and seniors in the unincorporated areas of the First Supervisorial District and by the City of Redlands to 18 low-and moderate-income youths and adults.

### **Accessibility Strategy**

To assist governmental agencies in complying with the Americans with Disabilities Act (ADA) guidelines and requirements, the County of San Bernardino intends to help identify, and assist in the elimination of, barriers that restrict the mobility of elderly and handicapped persons. By implementing our Accessibility Strategy of Community Development, the County continues to achieve its suitable living environment goal.

### **Removal of Architectural Barriers**

The County's 2004-05 Consolidated Plan identified these architectural barrier removal needs as part of our proposed one-year action plan: replace playground equipment to comply with Americans with Disabilities Act (ADA) requirements; install ADA-compliant playground equipment; construct ADA compliant restroom and entrance improvements at a city hall, at various public facilities and at county branch libraries; and rehabilitate park restrooms to allow ADA-compliant accessibility.

Nearly \$138,760 of CDBG funds was spent to complete accessibility improvements to remove architectural barriers. CDBG funds were used for ADA compliant automatic entrance doors and restroom improvements to the Big Bear Lake County Branch Library and the Montclair Branch County Library, for wheelchair curb cuts in the City of Redlands, for construction of a handicapped accessible sidewalk to the restrooms at Knott's Sky Park in Twentynine Palms, and construction of rehabilitation improvements to restrooms at Sturnacle Park in Barstow to provide improved handicap access.

During the year, design was underway or completed for wheel chair ramps, doorway, restroom signage and other improvements to remove structural barriers to access at the



Redlands Civic Center, ADA improvements to expand the thrift shop and the dental center facility, in Redlands. Design was also underway for ADA restroom improvements and construction of handicapped access improvement at the Barstow City Hall and the Cora M. Harper Community Center in the City of Barstow , and construction of improvements to provide handicapped access to the restrooms at the Dana Park restrooms in Barstow, construction of handicapped access improvements to the Covington Park Community Center in Morongo Valley, for installation of automatic entrance doors and restroom improvements to provide handicapped access to the Yucca Valley library, installation of handicapped-accessible playground equipments at Jack Smith Park, Needles, construction of Handicapped accessible pathways in Desert Christ Park in Yucca Valley, for wheelchair ramps in various street intersections in northeast Colton, for construction of ADA sidewalk improvements at Wrightwood Park playground, and or installation of ADA compliant spectator bleachers at the Tri-Valley Little League Park in the Town of Yucca Valley, and rehabilitation of parking area to provide ADA compliant access for disabled adults to Sequoia Middle School Park and construction of additional handicapped parking spaces at Copper Mountain College.

### Historic Preservation Strategy

The restoration of sites and structures that have historic significance is another strategy implemented by the County of San Bernardino to encourage and support the safety and livability of target neighborhoods. By developing and implementing historic restoration and preservation plans, the County furthers its goal of achieving suitable living environments.

#### **Historic Preservation**

The proposed FY 2004-05 single year action plan identified the need to Relocate and/or rehabilitate historic buildings, re-roof an historic building, and make health and safety repairs to a historic building.

CDBG funds totaling nearly \$387,665 were spent on historic preservation improvements to the Mission Gables Bowl in Redlands. Work is nearing completion on the plumbing and electrical upgrades and seismic retrofit, re-roofing the facility. During the year construction was in progress for rehabilitation by volunteer labor of the Bloomington Garage. Also, environmental review was underway for improvements to the Old Schoolhouse Museum in the City of Chino.

### Code Enforcement Strategy

As another means of improving the safety and viability of target neighborhoods, the County of San Bernardino assists with the provision of code enforcement activities in these areas. The incorporation of code enforcement activities coupled with programs which correct or cause the removal of blight or blighting influences assist in our stated goal of developing and sustaining suitable living environments, especially in areas of low- and moderate-income concentrations.

## **Code Enforcement**

The County's 2004-05 proposed one-year action plan proposed the provision of inspections for compliance with building codes and implement neighborhood revitalization programs.

\$161,820 of CDBG funds was spent to assist two (2) code enforcement programs resulting in the inspection of nearly 1,662 properties for compliance with local building codes in the cities of Highland and Montclair, and to reimburse prior year code inspection costs in Adelanto.

## **Demolition/Clearance**

The proposed FY 2004-05 single year action plan recognized the need to demolish and clear substandard buildings abandoned commercial and residential buildings.

Approximately \$95,040 of CDBG funds was spent to reimburse costs for demolishing and removing twenty-two (22) structures that presented health and safety concerns in the City of Needles, and in unincorporated areas of the Second, Third, and Fifth Supervisorial Districts.

## **Blight Abatement**

The proposed FY 2004-05 one-year action plan listed the need to provide blight abatement, including clearance of illegal dumping sites and graffiti removal.

\$9,272 of CDBG funds was spent to remove debris, trash and abandoned vehicles from five (5) sites located in the unincorporated areas of the Fifth Supervisorial District. Additionally an environmental study was completed and the report is being prepared to clean up an abandoned and blighted site in Grand Terrace.

## **Economic Development Initiative Grants**

The County of San Bernardino completed seven (7) Economic Development Initiative Grants. The grants completed are 1) Barstow Fogelsong Park Pool closed out October 2002, 2) Yucaipa Soccer Fields closed out October 2002, 3) Victorville Riverwalk Nature/Bike Trail closed out February 2003, 4) Route 66 Roadway Signs closed out October 2002, 5) Spring Valley Lake Baseball/Softball Complex closed out February 2003, 6) park for Running Springs area closed out September 2004, and 7) Running Springs, Downtown Revitalization Project, closed out May 2005.

The County of San Bernardino sends report back to Washington D.C. every six months on the status of the remaining EDI grants. The grants are 1) County's Shack Attack program, 2) Rehabilitation of wading pool at Fogelsong Park, 3) Big Bear Moonridge Zoo Relocation (first grant), 4) the Hall of Paleontology at the County Museum, and 5) Crestline Revitalization Houston Creek Project.

## **Expanded Economic Opportunities**

Today the Inland Empire and Southern California face the challenges of rapid growth, inadequate infrastructure to support the growth, and the need to address the job/housing imbalance. Add to this mixture the high cost of housing, utilities and doing business in the state and you quickly see the urgency to address these issues. Though the issues are regional in nature, they are addressed primarily at the local levels.

The migration of people inland continues, as people search for relative affordable housing. The majority of the growth in the county continues to come from people moving into the area from the coastal counties. The number of people migrating to the County was almost double the natural increase of the population.

As housing in Los Angeles and Orange County become prohibitive to the average middle class family (in May 2005 less than 15% of households qualified for the median house priced at \$503,450, for Orange County 11% qualified for the median home priced at \$704,150) people are looking at San Bernardino and Riverside counties to meet their needs. In San Bernardino County the median price of housing was \$364,700 where 24% of the households qualified for a home.

San Bernardino continues to experience a job/housing disparity which is compounded by housing affordability. Job growth continues to fall short of the number needed to match the growing population of 1,930,416 as of July 2004. As a result, more than 21% of the County's commuter workforce travels to Los Angeles and Orange Counties for higher salaried employment.

With manufacturing jobs disappearing from the state, focus of job growth is in the logistics sectors. Today, these are the only sectors allowing the vast bulk of workers to achieve growing living standards. The state will need to invest in the infrastructure expansion demanded by the truck, rail, airport and port industries. From 1987 to 2001, San Bernardino County slipped from 30<sup>th</sup> to 46<sup>th</sup> in per capita income among the 170 consolidated U.S. metropolitan areas. The declines occurred because the twelve sectors of Southern California's economy that lost the most jobs were primarily in manufacturing with an average annual salary of \$45,165 while the sectors with the most job growth were focused in service sectors with an average annual salary of \$33,145.

Workforce downsizing continues to be the trend and companies continue to be cautious rehiring and with the economy still slowing, massive job hiring is not anticipated any time soon. In addition, companies are increasingly hiring employees on short contracts or on a part time basis providing little or no benefits, which will continue to impact the region in future years. In addition, companies continue to export manufacturing jobs to other countries where the wages are lower and are less regulated, further impacting the job growth.

California's Employment Development Department (EDD) reports that as of July 2005, California's unemployment rate was 5.1%, down from 6.2% in July 2004. In San Bernardino County, the unemployment rate in July 2005 was held steady at 5.3% of its

labor force of 855,800 or 45,600 unemployed County residents.

The California Department of Education reports that County student enrollment for 2004-05 was 423,780, an increase of 4,786 students over 2003-04 figures. Over the last 5 years, high school graduation rates have remained relatively unchanged, bouncing up and down between a high of 85.7% in 1999-2000 and a low of 83.6% in 1998-99. In 2002-03, the graduation rate in the county was 85.1%. Efforts are currently underway to bridge the education gap and provide training opportunities for skilled technical workers. The Alliance for Education is seeking to increase these opportunities, as well as, provide elementary and high school children with increased exposure to math and science.

The County continues to establish programs and projects to promote a diversified expansion of the County's economic base. Incentives to business include permitting assistance, employment tax credits, mediation services, labor market information support services, referral services and business loans. By partnering with other County departments such as Workforce Development Department, efforts to reach out to the County's businesses are being maximized. Two Business and Employment Resource Centers have successfully assisted more than 2,000 small businesses and entrepreneurs. The centers also offer assistance to job seekers to help inform them of employment opportunities.

In addition to utilizing CDBG dollars for direct project funding, the County's economic development capacities have been complimented by the continued development of the Agua Mansa Enterprise zone and the development of data to enhance the implementation of the Countywide Economic Development Strategic Plan.

Through continued implementation of the Economic Development Strategy, the County continues to maintain and expand viable urban communities.

### Economic Development Strategy

As a way of improving the health and welfare of target neighborhoods and promoting the long-term economic viability of communities, the continuation of economic expansion opportunities is essential. The County of San Bernardino, continues to expand its economic development strategy, and pursue its goal of developing and sustaining suitable living environments, especially in areas of low- and moderate-income concentrations.

### **Business Expansion Loans**

As identified in its 2004-05 Action Plan, the County proposed to continue utilizing approximately \$1,250,000 of CDBG funds for business expansion loans, leveraging a minimum of \$1,562,000 in private financing and equity investment. These loans would be directed toward the stabilization, expansion and/or creation of business and industry. As a result, at least 36 jobs for low-and moderate-income persons would be created or retained.

In fiscal year 2004-05 four loans were approved providing \$1,555,000 in CDBG funds, committed to creating/retaining 82 new jobs (51 low/mod income). Of those, fifty-eight jobs

were retained through County loan actions during this past year.

### **Small Business Enhancement Loan Program**

As part of the County's 2004-05 proposed one-year action plan, we planned to continue utilizing approximately \$125,000 of prior year CDBG funds for business expansion loans to small businesses for creation or retention of jobs through the stabilization, expansion or creation of business and industry. The Small Business Enhancement Loan Program (SBEL) may provide \$5,000 to \$50,000 in financing to a small business, which is defined as having annual sales of less than \$1.0 million.

\$253,699 of CDBG funds were provided to five businesses during fiscal year 2004-05 with the commitment to create ten permanent positions for low-and moderate-income persons. The businesses created 9 new jobs.

### **Micro-Enterprise Loan Program**

In the 2004-05 fiscal year, the County continued utilizing approximately \$125,000 of prior year CDBG funds for business loans to Micro-Enterprises. A Micro-Enterprise is defined as:

- a for-profit entity with five or fewer employees
- one or more of whom owns the business and is directly involved in the provision of goods or services that are offered by the business
- the business requires \$25,000 or less of County assistance for the project.

During fiscal year 2004-05 CDBG funds were utilized to provide financial assistance to one Micro-Enterprise resulting in the creation of one position.

### **HUD Section 108 Loan Program**

Under the FY 2004-05 action plan, the County would utilize approximately \$475,000 in 1995-96 Economic Development Initiative (EDI) funds as a debt service reserve (\$205,000) and as capital (\$270,000) for a small business financing program. The County combined the EDI funds with \$1,360,000 in HUD Section 108 funds to implement the countywide business financing program. The program would allow business owners to expand their operations and create new jobs, of which persons meeting low-and moderate-income requirements must fill 51% or more.

During the 2004-05 fiscal year, no Section 108 loans were made.

### **CDBG Float Loan**

\$463,931 of CDBG funds were provided to one business during fiscal year 2004-05 with the result of retaining 110 permanent jobs and creating 28 new positions in 2004-05.

### **Technical Assistance**

The County's Office of Small Business Development has provided technical assistance to 106

businesses through workshops and seminars; 81 businesses were interviewed for funding assistance resulting in 6 receiving SBA financing totaling \$610,000. Those businesses receiving assistance included small businesses, micro-enterprises, and public agencies located in the County. Technical assistance was provided for business expansion purposes.

The Inland Empire Small Business Development Center provided technical assistance to 618 businesses. Primary areas of assistance were 71 percent seeking assistance in preparing financing packages, 19 percent seeking information regarding government procurement requirements.

The Inland Empire Center for Entrepreneurship provided one-on-one technical assistance to 79 minority and women owned businesses, resulting in the creation of seven jobs.

## Public Benefit – Aggregate

During 2004-05 the County expended \$2,298,002 to provide loans under the Business Expansion Loan Program, Small Business Enhancement Loan Program, Micro Loan and Section 108 Loan Program. These four programs were subject to meeting the aggregate public benefit standard of more than one (1) job per \$35,000 expended. The loans were made to create or retain a total of 318 full time jobs. As a result, one (1) job per \$7,726 expended will be created or retained.

## Job Creation/Retention Activities - Businesses Assisted

The following pages outline the status of each current business loan and provides an analysis of the national objective and public benefit compliance of each loan. Official loan and employment documents were utilized to provide this information. Understandably, most employers do not maintain a constant level of employees over time. Turnover through attrition is a major factor causing the County to monitor only full time employee positions as defined in Section 2(a) of the Loan Authorization, which was the method utilized in preparing this report. Additionally, income levels based on 80% of the County median *HUD Section 8 limits for the Riverside - San Bernardino PMSA* were utilized to determine the low- and moderate-income resident impact. The income limits for this past year were as follows:

### 2005

Family Size	1	2	3	4	5	6	7	8+
Income Limits	\$31,200	35,650	40,100	44,550	48,100	51,700	55,250	58,800

### 2004

Family Size	1	2	3	4	5	6	7	8+
Income Limits	\$30,400	34,750	39,100	43,450	46,900	50,400	53,850	57,350

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-Micro Enterprise Loan**

<b>Project Name</b> Mercer's Bookkeeping and Tax Service		
<b>HUD Activity Number</b> 4322	<b>Project No./Acct No.</b> 021-08016/2710	<b>Loan Approval Date</b> 10/27/2004
<b>Address</b> 4646 Phelan Road – Unit D, Phelan CA		
<b>Location</b> 4646 Phelan Road – Unit D, Phelan CA		
<b>Funding Amount</b> \$25,372		
<b>Description of the activity funded with HUD funds</b> Micro Enterprise Loan to bookkeeping and tax service business. Loan utilized for office equipment and for working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(2)(iii) as a microenterprise. Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  This loan is expected to provide assistance at the rate of \$25,372 per job		
<b>Jobs Required/Projected:</b> 1 job (1 l/m)		
<b>Jobs Created:</b> 1 office assistant		
<b>Low-Mod Jobs Created (included in jobs created):</b> 1		
<b>Is Borrower still in business? Yes If activity not completed, projection for completion:</b> 10/27/2011		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$22,794 Account is current.  Company has met job creation requirement. This activity will no longer be reported..		
<b>If loan not repaid, how was collateral addressed?</b> 2nd on residential property Personal guaranty of business owners.		



## STATUS OF CURRENT BUSINESS LOANS

### COUNTY OF SAN BERNARDINO-Micro Enterprise Loan

<b>Project Name</b> DePaola dba DePaola's Little Italy		
<b>HUD Activity Number</b> 3660	<b>Project No./Acct No.</b> 021-08015/2408	<b>Loan Approval Date</b> 2/13/2003
<b>Address</b> 1601j Barton Road., Redlands CA 92373		
<b>Location</b> 1601j Barton Road., Redlands CA 92373		
<b>Funding Amount</b> \$25,371		
<b>Description of the activity funded with HUD funds</b> Micro Enterprise Loan to bookkeeping and tax service business. Loan utilized for office equipment and for working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(2)(iii) as a microenterprise. Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  This loan is expected to provide assistance at the rate of \$25,371 per job		
<b>Jobs Required/Projected:</b> 1 job (1 l/m)		
<b>Jobs Created:</b> 1 Cashier		
<b>Low-Mod Jobs Created (included in jobs created):</b> 1		
<b>Is Borrower still in business? Yes If activity not completed, projection for completion:</b> 2/13/2013		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$22,794 Account is current.  Company has met job creation requirement. This activity will no longer be reported..		
<b>If loan not repaid, how was collateral addressed?</b> UCC-1 on business assets Personal guaranty of business owners.		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-Small Business Enhancement Loan**

<b>Project Name</b> Michael Nyberg dba Money Arms		
<b>HUD Activity Number</b> 4011	<b>Project No./Acct No.</b> 020-022-08035/2567	<b>Loan Approval Date</b> 3/4/2004
<b>Address</b> 584 Christopher Lane – Redlands CA 92376		
<b>Location</b> Same as above		
<b>Funding Amount</b> \$40,325		
<b>Description of the activity funded with HUD funds</b> Small Business Enhancement Loan to purchase equipment and for working capital.		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$20,000 per job.  The public benefit standards for this activity has been met. Activity will no longer be reported.		
<b>Jobs Required/Projected:</b> 2 jobs (1 l/m)		
<b>Jobs Created:</b> 1 programmer 1 office assistant		
<b>Low-Mod Jobs Created (included in jobs created):</b> 1		
<b>Is Borrower still in business? Yes If activity not completed, projection for completion:</b> 3/4/2011		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$34,028 Account is current.  Project has met job creation requirements and will no longer be reported.		
<b>If loan not repaid, how was collateral addressed?</b> 2nd on residential property UCC1 on business assets Personal guaranty of business owners		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-Small Business Enhancement Loan**

<b>Project Name</b> Eileen Blackwell dba All Seasons Resorts		
<b>HUD Activity Number</b> 4029	<b>Project No./Acct No.</b> 022-0842/2589	<b>Loan Approval Date</b> 4/7/2004
<b>Address</b> 41348 Big Bear Blvd – big Bear Lake CA 92315		
<b>Location</b> Same as above		
<b>Funding Amount</b> \$50,730		
<b>Description of the activity funded with HUD funds</b> Small Business Enhancement Loan for working capital.		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> 114		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  The public benefit standards for this activity has been met. Activity will no longer be reported.		
<b>Jobs Required/Projected:</b> 2 jobs (1 l/m)		
<b>Jobs Created:</b> 2 1-office assistant, 1-reservationist		
<b>Low-Mod Jobs Created (included in jobs created):</b> 2		
<b>Is Borrower still in business?</b> Yes <b>If activity not completed, projection for completion:</b> 4/27/2011		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$43,057 Account is current.  Borrower received funding to purchase new equipment and for working capital. Activity has met job creation requirements and will no longer be reported.		
<b>If loan not repaid, how was collateral addressed?</b> 2nd on residential property UCC1 on business assets Personal guaranty of business owner		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-Small Business Enhancement Loan**

<b>Project Name</b> Frehner dba Total Concept		
<b>HUD Activity Number</b> 4027	<b>Project No./Acct No.</b> 022-08041/2586	<b>Loan Approval Date</b> 45/5/2004
<b>Address</b> 1500 Crafton Ave, Wind D, Mentone CA 92373		
<b>Location</b> 1500 Crafton Ave, Wind D, Mentone CA 92373		
<b>Funding Amount</b> \$50,730		
<b>Description of the activity funded with HUD funds</b> Small Business Enhancement Loan for working capital.		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  The public benefit standards for this activity has been met. Activity will no longer be reported.		
<b>Jobs Required/Projected:</b> 2 jobs (1 l/m)		
<b>Jobs Created:</b> 2 baker, 1 labor		
<b>Low-Mod Jobs Created (included in jobs created):</b> 2		
<b>Is Borrower still in business?</b> Yes <b>If activity not completed, projection for completion:</b> 5/5/2014		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$-0-  Borrower received funding to purchase new equipment and for working capital. Activity has met job creation requirements and will no longer be reported.		
<b>If loan not repaid, how was collateral addressed?</b> UCC1 on business assets Personal guaranty of business owner		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-Small Business Enhancement**

<b>Project Name</b> Catalyst Development Corporation		
<b>HUD Activity Number</b> 2575	<b>Project No./Acct No.</b> 022-08025/2197	<b>Loan Approval Date</b> 7/6/2001
<b>Address</b> 56925 Yucca Trail #254, Yucca Valley CA		
<b>Location</b> 56925 Yucca Trail #254, Yucca Valley CA		
<b>Funding Amount</b> \$50,743		
<b>Description of the activity funded with HUD funds</b> Small Business Enhancement Loan to software developer and publisher of innovative software tools for end-user community. Loan utilized for machinery and equipment purchases and for working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  This loan is expected to provide assistance at the rate of \$25,372 per job		
<b>Jobs Required/Projected:</b> 2 jobs (1 l/m)		
<b>Jobs Created:</b> 1 (l/m) technician		
<b>Low-Mod Jobs Created (included in jobs created):</b> 1		
<b>Is Borrower still in business? Yes</b> If activity not completed, projection for completion: 7/6/2008		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$23,399 Account is current.  Company experienced lower revenues due to lower orders. Most orders are from government sources. Company is attempting to diversify market.		
<b>If loan not repaid, how was collateral addressed?</b> 3rd on residential property UCC1 on business assets Personal guaranty of business owners.		

## STATUS OF CURRENT BUSINESS LOANS

### COUNTY OF SAN BERNARDINO-Small Business Enhancement Loan

<b>Project Name</b> Bravo dba Bravo Landscaping		
<b>HUD Activity Number</b> 4378	<b>Project No./Acct No.</b> 022-08048/2740	<b>Loan Approval Date</b> 4/28/2005
<b>Address</b> 17878 Cherry Street, Hesperia CA 92345		
<b>Location</b> 17878 Cherry Street, Hesperia CA 92345		
<b>Funding Amount</b> \$50,743		
<b>Description of the activity funded with HUD funds</b> Small Business Enhancement Loan to professional landscaping and light construction business. Loan utilized for machinery and equipment purchases and for working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  This loan is expected to provide assistance at the rate of \$25,000 per job		
<b>Jobs Required/Projected:</b> 2 jobs (1 l/m)		
<b>Jobs Created:</b> 2 l/m landscaper & labor		
<b>Low-Mod Jobs Created (included in jobs created):</b> 2		
<b>Is Borrower still in business? Yes</b> If activity not completed, projection for completion: 4/28/2008		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$48,551 Account is current.  Activity has met job creation requirements and will no longer be reported.		
<b>If loan not repaid, how was collateral addressed?</b> 2 <sup>nd</sup> TD on residential property Personal guaranty of business owners.		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-Small Business Enhancement Loan**

<b>Project Name</b> Carr dba Genesis Hair Studio		
<b>HUD Activity Number</b> 4323	<b>Project No./Acct No.</b> 022-08044/2709	<b>Loan Approval Date</b> 10/28/2004
<b>Address</b> 10798 Claremont Ave. Bloomington, CA 92316		
<b>Location</b> 10798 Claremont Ave. Bloomington, CA 92316		
<b>Funding Amount</b> \$50,743		
<b>Description of the activity funded with HUD funds</b> Small Business Enhancement Loan to hair styling salon. Loan utilized for machinery and equipment purchases and for working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  This loan is expected to provide assistance at the rate of \$25,000 per job		
<b>Jobs Required/Projected:</b> 2 jobs (1 l/m)		
<b>Jobs Created:</b> 2 stylists		
<b>Low-Mod Jobs Created (included in jobs created):</b> 2		
<b>Is Borrower still in business? Yes If activity not completed, projection for completion:</b> 10/28/2011		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$45,588 Account is current.  Activity has met job creation requirements and will no longer be reported.		
<b>If loan not repaid, how was collateral addressed?</b> 2 <sup>nd</sup> TD on commercial property Personal guaranty of business owners.		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-Small Business Enhancement Loan**

<b>Project Name</b> Kalina dba Little Fisherman Seafoods		
<b>HUD Activity Number</b> 4366	<b>Project No./Acct No.</b> 022-08047/2738	<b>Loan Approval Date</b> 1/28/2005
<b>Address</b> 1175 W. Redlands Blvd, Redlands, CA 92373		
<b>Location</b> 1175 W. Redlands Blvd, Redlands, CA 92373		
<b>Funding Amount</b> \$50,743		
<b>Description of the activity funded with HUD funds</b> Small Business Enhancement Loan to seafood restaurant. Loan utilized for machinery and equipment purchases and for working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  This loan is expected to provide assistance at the rate of \$25,000 per job		
<b>Jobs Required/Projected:</b> 2 jobs (1 l/m)		
<b>Jobs Created:</b> 2 cook, busboy		
<b>Low-Mod Jobs Created (included in jobs created):</b> 1		
<b>Is Borrower still in business? Yes</b> <b>If activity not completed, projection for completion:</b> 1/28/2012		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$47,081 Account is current.  Activity has met job creation requirements and will no longer be reported.		
<b>If loan not repaid, how was collateral addressed?</b> 3rd on residential property UCC1 on business assets Personal guaranty of business owners.		



**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-Small Business Enhancement Loan**

<b>Project Name</b> Wade dba Wade Graphics		
<b>HUD Activity Number</b> 4328	<b>Project No./Acct No.</b> 022-08046/2730	<b>Loan Approval Date</b> 12/17/2004
<b>Address</b> 22490 Rockwell Road, Crestline CA 92325		
<b>Location</b> 22490 Rockwell Road, Crestline CA 92325		
<b>Funding Amount</b> \$50,743		
<b>Description of the activity funded with HUD funds</b> Small Business Enhancement Loan to graphics design, printing and advertising company. Loan utilized for machinery and equipment purchases and for working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  This loan is expected to provide assistance at the rate of \$25,000 per job		
<b>Jobs Required/Projected:</b> 2 jobs (1 l/m)		
<b>Jobs Created:</b> 1 (l/m) technician		
<b>Low-Mod Jobs Created (included in jobs created):</b> 1		
<b>Is Borrower still in business? Yes If activity not completed, projection for completion:</b> 12/17/2011		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$47,081 Account is current.  Funds were utilized to purchase equipment and for working capital. One job was created.		
<b>If loan not repaid, how was collateral addressed?</b> 2 <sup>nd</sup> TD on residential property Personal guaranty of business owners.		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-Small Business Enhancement Loan**

<b>Project Name</b> Castillo dba Sportstuff		
<b>HUD Activity Number</b> 4324	<b>Project No./Acct No.</b> 022-08045/2711	<b>Loan Approval Date</b> 10/18/2004
<b>Address</b> 1404 Industrial Parkway, Redlands CA		
<b>Location</b> 1404 Industrial Parkway, Redlands CA		
<b>Funding Amount</b> \$50,743		
<b>Description of the activity funded with HUD funds</b> Small Business Enhancement Loan to embroidery company. Loan utilized for machinery and equipment purchases and for working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  This loan is expected to provide assistance at the rate of \$25,372 per job		
<b>Jobs Required/Projected:</b> 2 jobs (1 l/m)		
<b>Jobs Created:</b> 2 cashier, salesperson		
<b>Low-Mod Jobs Created (included in jobs created):</b> 2		
<b>Is Borrower still in business?</b> Yes <b>If activity not completed, projection for completion:</b> 10/18/2011		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$46,088 Account is current.  Funds were utilized to purchase equipment and for working capital. Two jobs were created. Project will no longer be reported.		
<b>If loan not repaid, how was collateral addressed?</b> 2 <sup>nd</sup> TD on residential property UCC1 on business assets Personal guaranty of business owners.		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-BUSINESS EXPANSION LOAN**

<b>Project Name</b> D. Ghulam Omar dba Metro Used Cars		
<b>HUD Activity Number</b> 4028	<b>Project No./Acct No.</b> 020-24684/2585	<b>Loan Approval Date</b> 4/20/2004
<b>Address</b> 18356 Valley Blvd, Bloomington, CA 92316		
<b>Location</b> 18356 Valley Blvd, Bloomington, CA 92316		
<b>Funding Amount</b> \$320,000		
<b>Description of the activity funded with HUD funds</b> Business Expansion Loan provided for purchase of furnishings and equipment and working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> 36.02		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$32,000 per job.  This loan is expected to provide assistance at the rate of \$32,000 per job. Once the jobs are created, activity will no longer be reported.		
<b>Jobs Required/Projected:</b> 10 jobs (6 l/m)		
<b>Jobs Created:</b> 0		
<b>Low-Mod Jobs Created (included in jobs created):</b> 0		
<b>Is Borrower still in business?</b> Yes <b>If activity not completed, projection for completion:</b> 2/20/2011		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$310,184 Account is current.  Funds utilized for working capital. Project has not yet met job creation goals.		
<b>If loan not repaid, how was collateral addressed?</b> 1st TD on commercial property Personal guaranty of business owners.		

## STATUS OF CURRENT BUSINESS LOANS

### COUNTY OF SAN BERNARDINO-BUSINESS EXPANSION LOAN

<b>Project Name</b> Aubrey Forest Products		
<b>HUD Activity Number</b> 3980	<b>Project No./Acct No.</b> 020-24682/2564	<b>Loan Approval Date</b> 12/1/2003
<b>Address</b> 29029 Hook Creek Road, Cedar Glen CA		
<b>Location</b> 29029 Hook Creek Road, Cedar Glen CA		
<b>Funding Amount</b> \$350,000		
<b>Description of the activity funded with HUD funds</b> Business Expansion Loan provided for purchase of equipment..		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> 110		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$35,000 per job.  The public benefit standards for this activity has been met. Activity will no longer be reported.		
<b>Jobs Required/Projected:</b> 10 jobs (6 l/m)		
<b>Jobs Created:</b> 19 payroll clerk, groundsmen, foreman, technician, operator, mechanic, receptionist		
<b>Low-Mod Jobs Created (included in jobs created):</b> 14		
<b>Is Borrower still in business? Yes If activity not completed, projection for completion:</b> 12/1/2013		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2004 \$324,165 Account is current.  Borrower had received funding to purchase new equipment. Activity has met job creation requirements and will no longer be reported.		
<b>If loan not repaid, how was collateral addressed?</b> 1 <sup>st</sup> TD on vacant land, parcel 1 1 <sup>st</sup> TD on vacant land, parcel 2 UCC1 on business assets Personal guaranty of business owners.		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-BUSINESS EXPANSION LOAN**

<b>Project Name</b> Pico Rivera Pallet Corp I		
<b>HUD Activity Number</b> 3979	<b>Project No./Acct No.</b> 020-24081/2557	<b>Loan Approval Date</b> 12/15/2003
<b>Address</b> 240 Congress Street, Colton CA		
<b>Location</b> 240 Congress Street, Colton CA		
<b>Funding Amount</b> \$420,000		
<b>Description of the activity funded with HUD funds</b> Business Expansion Loan provided for purchase of equipment and working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> 69		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$35,000 per full-time job created or retained. This loan provides assistance at the rate of \$32,037 per job.  This loan is expected to provide assistance at the rate of \$33,500 per job, once the jobs are created.		
<b>Jobs Required/Projected:</b> 15 jobs (7 1/m)		
<b>Jobs Created:</b> 15 1-woodcutter, 3-mechanics, 2-clerks, 2-laborer, 4-drivers, 3—pallet makers		
<b>Low-Mod Jobs Created (included in jobs created):</b> 7		
<b>Is Borrower still in business?</b> Yes <b>If activity not completed, projection for completion:</b> 12/15/2013		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$-0- Account paid in full 3/30/2004..  Activity met job creation goals and will no longer be reported		
<b>If loan not repaid, how was collateral addressed?</b> Activity paid in full March 2004.		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-BUSINESS EXPANSION LOAN**

<b>Project Name</b> Pico Rivera Pallet Corp II		
<b>HUD Activity Number</b> 4367	<b>Project No./Acct No.</b> 020-24688/2737	<b>Loan Approval Date</b> 5/24/2005
<b>Address</b> 240 Congress Street, Colton CA		
<b>Location</b> 240 Congress Street, Colton CA		
<b>Funding Amount</b> \$500,000		
<b>Description of the activity funded with HUD funds</b> Business Expansion Loan provided for purchase of equipment and working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> 69		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$35,000 per full-time job created or retained. This loan provides assistance at the rate of \$32,037 per job.  This loan is expected to provide assistance at the rate of \$33,500 per job, once the jobs are created.		
<b>Jobs Required/Projected:</b> 15 jobs (7 l/m)		
<b>Jobs Created:</b> 10 10—pallet makers		
<b>Low-Mod Jobs Created (included in jobs created):</b> 10		
<b>Is Borrower still in business? Yes If activity not completed, projection for completion:</b> 5/24/2015		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2005 \$500,000  Funding used to purchase equipment. Ten jobs were created.		
<b>If loan not repaid, how was collateral addressed?</b> Activity paid in full March 2004.		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-BUSINESS EXPANSION LOAN**

<b>Project Name</b> SVCC Properties/Mountain View Child Care, Inc dba Totally Kids Specialty Healthcare		
<b>HUD Activity Number</b> 4343	<b>Project No./Acct No.</b> 020-024687/2715	<b>Loan Approval Date</b> 1/25/2005
<b>Address</b> 1720 Mountain View Avenue, Loma Linda CA		
<b>Location</b> 1720 Mountain View Avenue, Loma Linda CA		
<b>Funding Amount</b> \$500,000		
<b>Description of the activity funded with HUD funds</b> Business Expansion Loan for working capital.		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job.  This loan is expected to provide assistance at the rate of \$25,000 per job, once the jobs are created.		
<b>Jobs Required/Projected:</b> 15 jobs (8 l/m)		
<b>Jobs Created:</b> 2 aides		
<b>Low-Mod Jobs Created (included in jobs created):</b> 1		
<b>Is Borrower still in business?</b> Yes <b>If activity not completed, projection for completion:</b> 1/25/2015		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2003 \$494,039 Account is current.  Funds were utilized to purchase equipment. Two jobs were created during this fiscal year.		
<b>If loan not repaid, how was collateral addressed?</b> TD's on residential properties Corporate guaranty Personal guaranty of business owners.		

**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-BUSINESS EXPANSION LOAN**

<b>Project Name</b> MPI, Inc.		
<b>HUD Activity Number</b> 4327	<b>Project No./Acct No.</b> 020 – 24685/2693	<b>Loan Approval Date</b> 10/19/2004
<b>Address</b> 1901 Colley Drive, Colton CA		
<b>Location</b> 1901 Colley Drive, Colton CA		
<b>Funding Amount</b> \$230,000		
<b>Description of the activity funded with HUD funds</b> Business Expansion Loan Program for building purchase		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$33,500 per job.  This loan is expected to provide assistance at the rate of \$33,500 per job, once the jobs are created.		
<b>Jobs Required/Projected:</b> 20 jobs (11 l/m)		
<b>Jobs Created:</b> 2 labor		
<b>Low-Mod Jobs Created (included in jobs created):</b> 2		
<b>Is Borrower still in business?</b> Yes <b>If activity not completed, projection for completion:</b> 10/19/2014		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2003 \$228,362 Account is current.  Funds were utilized to purchase equipment. Two jobs created during this program year.		
<b>If loan not repaid, how was collateral addressed?</b> 3 <sup>rd</sup> TD on residential property Corporate Guaranty Personal Guaranties		



**STATUS OF CURRENT BUSINESS LOANS**  
**COUNTY OF SAN BERNARDINO-BUSINESS EXPANSION LOAN**

<b>Project Name</b> Dalton Logistical Services		
<b>HUD Activity Number</b> 4080	<b>Project No./Acct No.</b> 020 – 24683/25773	<b>Loan Approval Date</b> 6/29/2004
<b>Address</b> 17628 Slover Avenue, Bloomington CA		
<b>Location</b> 17628 Slover Avenue, Bloomington CA		
<b>Funding Amount</b> \$325,000		
<b>Description of the activity funded with HUD funds</b> Business Expansion Loan Program for working capital		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$32,500 per job.  This loan is expected to provide assistance at the rate of \$32,500per job, once the jobs are created.		
<b>Jobs Required/Projected:</b> 10 jobs (6 l/m)		
<b>Jobs Created:</b> 10		
<b>Low-Mod Jobs Created (included in jobs created):</b> 7		
<b>Is Borrower still in business?</b> Yes <b>If activity not completed, projection for completion:</b> 6/29/2014		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2003 \$306,939 Account is current.  Funds were utilized to purchase equipment. Job creation requirements have been met. Project will no longer be reported.		
<b>If loan not repaid, how was collateral addressed?</b> 2 <sup>nd</sup> TD on commercial property Corporate Guaranty Personal Guaranties		

## STATUS OF CURRENT BUSINESS LOANS

### COUNTY OF SAN BERNARDINO-Float Loan

<b>Project Name</b> Moss Bro Ford		
<b>HUD Activity Number</b> 4393	<b>Project No./Acct No.</b> 350-27323/22359	<b>Loan Approval Date</b> 6/6/2005
<b>Address</b> 1700 West valley Blvd, Colton		
<b>Location</b> 1700 West valley Blvd, Colton		
<b>Funding Amount</b> \$463,931		
<b>Description of the activity funded with HUD funds</b> Float Loan for auto flooring		
<b>Was federal funding expended for purpose intended?</b> Yes.		
<b>Eligibility:</b> Eligible under 24CFR570.203(b) The recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
<b>Census Tract No:</b> Not applicable		
<b>Census Tract Low Mod %:</b> Not applicable		
<b>National Objective:</b> Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low-and moderate-income persons.		
<b>Public Benefit:</b> The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$32,500 per job.  This loan is expected to provide assistance at the rate of \$33,137 per job, once the jobs are created.		
<b>Jobs Required/Projected:</b> 14 jobs (8 l/m)		
<b>Jobs Created:</b> 0		
<b>Low-Mod Jobs Created (included in jobs created):</b> 0		
<b>Is Borrower still in business? Yes</b> <b>If activity not completed, projection for completion:</b> 6/29/2014		
<b>Loan Balance and Status (e.g., work-out, collection, other):</b>  Loan Balance as of 6/30/2003 \$463,931 Account is current.  Funds were utilized to purchase fund auto flooring. Loan funded in June 2005. No job creation is reported during this fiscal year		
<b>If loan not repaid, how was collateral addressed?</b> Letter of credit		

## Citizen Comments

As of September 28, 2005, the County Department of Community Development and Housing had not received any citizen comments on the draft 2004-2005 Annual Performance Review (APR). The County Department of Community Development and Housing received the following citizen comment at the September 13, 2005, public hearing before the San Bernardino County Board of Supervisors.

Grace Lester spoke on the high cost of housing, issues with code enforcement and the problem of the limited water supply in the desert.

# Overall Assessment And Evaluation

## PERFORMANCE MEASURES

During the 2004-05 reporting year the County implemented a preliminary performance measurement system. However, work has begun on a national level to develop a standardized system to identify, collect, and report both short term and long term accomplishments and the resulting outcomes for the activities funded by HUD grants.

The County of San Bernardino, is participating in the Joint Grantee/HUD/OMB/COSCD, NCDA, and NACCED Performance Measurement Working Group\*, a group of national organizations of local and state grantees collaborating to refine a "Performance Outcome Measurement System" framework. This effort, which is in response to CPD Notice 03-09, is expected to lead to a comprehensive approach to the measurement of outcomes for HUD's four major community development formula grant programs - Community Development Block Grants, HOME Investment Partnerships Program, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS. Once designed, the system will include objectives, outcomes and indicators for each type of activity undertaken with funds made available from these programs.

In addition to utilizing the current Integrated Disbursement and Information System (IDIS) system to capture and report actual and expected units of accomplishment for each activity, and in preparation for the 2004-05 program year CAPER Report, we have been working with our public service subrecipients to identify and collect measurable performance outcomes related to the units of service for each type of activity. Quantifiable outcomes are included in the accomplishment narratives in IDIS. See Appendix G, CDBG Activity Summary Report (C04PR03. We expect to merge our findings with the Performance Measurement Working Group system framework, federal regulations and with HUD recommendations, to create a performance measurement and reporting system that will enable us to analyze and report both project productivity and the program impact.

Because of the many types of projects and services provided along with other outside factors that impact outcomes it is a challenge to develop consistent and quantifiable outcomes.

\* Joint Grantee/HUD/OMB/COSCD/NCDA and NACCED Performance Measurement Working Group:

OMB - federal Office of Management and Budget

COSCD – Council of State Community Development Agencies

NCDA – National Community Development Association

NACCED – National Association for County Community and Economic Development

Representatives from the County attended the CPD outcome measurement regional feedback forum held in San Francisco on July 18, 2005. Per the information provided by HUD at the forum, the County is waiting for the resulting regulation changes and IDIS system upgrades in order to further develop and implement additional performance measurement systems.

## **SELF EVALUATION**

The County's overall annual performance for July 1, 2004 through June 30, 2005 shows that we've made great advances in achieving our established goals as stated in the approved Consolidated Plan. In numerous areas, we have surpassed the established numeric goals. While we may not have met goals in every instance, we have made great improvements throughout the County of San Bernardino and will continue to do so. The ongoing improvement of computerized procedures will enable us to continue our productivity in the future.

This concludes the Annual Performance Review for the 2004-05 Action Plan. The Department of Community Development and Housing wishes to acknowledge the support of the County Board of Supervisors. CDH also wants to recognize the able assistance provided by the thirteen (13) cooperating cities, numerous County departments, and an even greater number of non profit agencies, in planning and carrying out the over 200 programs and projects covered in this report. The success of the three (3) HUD programs discussed here allows Congress the latitude needed to continue the full funding of these grants – Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), and the HOME Investment Partnerships Act (HOME) – to local governments.

